



Daily Report

China

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Wednesday
7 September 1994

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FBIS-CHI-94-173

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7 September 1994

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United States & Canada

XINHUA Quotes Brown in Hong Kong on MFN Status

OW6309143994 Beijing XINHUA in English 1339
GMT 3 Sep 94

[Text] Hong Kong, September 3 (XINHUA)—Annual renewal by the United States of China's most favored nation [MFN] trading status will be "virtually automatic" from this year on, U.S. Commerce Secretary Ronald Brown said here.

He said that this was a result of the decision by President Bill Clinton in May to delink non-trade issues from the annual process of reviewing China's MFN status, according to a news release issued by the Hong Kong Trade Development Council (TDC) this afternoon.

The commerce secretary who left Hong Kong today, made these remarks at a breakfast meeting of the Hong Kong/United States Economic Cooperation Committee hosted by Committee Chairman C.H. Tung on Friday [2 September].

Brown said that delinking MFN from non-trade issues meant eliminating uncertainty, and this would enable businessmen to take long-term decisions.

Under the situation now existing, China would not be treated any differently from other trading partners with most favored nation status, Brown said.

C.H. Tung, who is also chairman of Orient Overseas (International) Ltd., said Hong Kong's business community applauded President Clinton's "courageous" decision on China's MFN renewal.

He said it was vitally important for Hong Kong that relations between the U.S. and China - its two largest trading partners - should be on a sound and cooperative footing.

"I am confident of Hong Kong's future way beyond 1997 but, because of the new beginning you have created, I think Hong Kong's future will be even brighter," he said.

The Hong Kong/U.S. Economic Cooperation Committee and its New York-based counterpart, the U.S./Hong Kong Economic Cooperation Committee, were formed 10 years ago to further strengthen economic relations between Hong Kong and the U.S. members are drawn from business leaders and policy-makers in both communities.

U.S. Commerce Secretary's Remarks Cited

HK0409071694 Beijing ZHONGGUO XINWEN SHE
in English 0833 GMT 2 Sep 94

[Text] Hong Kong, September 2 (CNS)—"For all the international challenges the United States currently faces, the development of our long term relationship with China might be viewed by history as one of the most important," Mr. Ronald Brown, the U.S. secretary of

commerce, quotes what President Clinton said when seeing the mission off at White House to emphasize the significance of his trip to China when addressing the American Chamber of Commerce in Hong Kong this afternoon.

With a number of contracts involving billions of U.S. dollars signed in Beijing, Shanghai and Guangzhou, Mr. Brown is most pleased with what he has achieved in China. In his address, he says, "China is so big, is growing so fast, is central to Asia's future...and Asia is so important to the world, that we, as the world's leading economy and sole remaining superpower must establish a strong relationship between our two nations. Fortunately, there are many reasons for our two countries to forge such a relationship. We share many objectives, we offer much to one another."

Mr. Brown says that the U.S. will open a U.S. commercial center in Shanghai to further support the efforts of American companies enter the Chinese market. The U.S. Administration has also decided to open a U.S.-Chinese commercial strategy center within the Department of Commerce in Washington.

Some 14 agreements were signed between American and Chinese businessmen in Beijing. According to the secretary, these agreements "all came under the umbrella of a much larger set of agreements designed to establish a permanent mechanism for advancing the U.S.-Chinese commercial relationship. That mechanism is the joint committee on commerce and trade."

The secretary also speaks highly of Hong Kong for its economic dynamism and important role in the region.

To wind up his speech, he quotes a Chinese saying that the journey of a thousand miles begins with but a single step. "After more than ten thousand miles in a single week," he is certainly encouraged by the prospects and confident about the long journey.

Article Salutes U.S. Secretary Brown's Visit

HK0609124094 Beijing ZHONGGUO XINWEN SHE
in Chinese 0956 GMT 4 Sep 94

[By staff reporter Yu Donghui (0151 2639 2547)]

[Text] Beijing, 4 Sep (ZHONGGUO XINWEN SHE)—U.S. Secretary of Commerce Ron Brown, who had been charged with the President's mission, ended his seven-day China visit with results which were "beyond expectations."

Chinese and overseas media generally hold that the visit, which was of historic significance, has turned a new page for China and the United States to advance toward a business partnership.

On the trip, Brown put forward the "business diplomacy" slogan and his achievements are there for all to see: China and the United States signed the Industrial Cooperation Framework Agreement and work plans for

13 trades. The United States has secured business worth over \$6 billion from China. China and the United States have enhanced understanding on such questions as China's reentry to GATT, the protection of intellectual property rights, and the opening of service industries.

Since U.S. President Clinton decided to separate China's most-favored-nation [MFN] status from the human rights issue in May, Sino-U.S. relations have entered, as some would say, the "post-MFN era." An important token of this era is "seeking common ground while reserving differences," setting aside their differences over human rights and seeking common economic interests.

The United States's possession of advanced technology in the energy, communications, telecommunications, and other fields, and its great wealth of capital, are hugely supplementary to China's vast market and its strong aspirations of developing high technology and infrastructure. However, the political differences between China and the United States some time ago, especially the argument over human rights, were the major obstacle to the development of their relations.

According to Chinese statistics, in the first seven months of the year, the total trade volume between China and the United States reached \$17.4 billion and that between China and the European Union was \$16.4 billion. Following the formation of a trade partnership between China and Germany and the complete normalization of Sino-French relations, the European Union has taken the initiative in many respects in its access to China's market. Faced with China's \$250-billion scale of development in the next seven years, the United States is no longer willing to lose the good opportunity.

It was precisely the "President's Business Development Mission" that Brown headed for the trip which included 24 heads of large American corporations. China accorded Brown a high-profile courteous reception: Jiang Zemin, Li Peng, Zou Jiahua, and Li Lanqing met with him and expressed the same aspirations of reconciliation between the two countries as the United States did.

Brown did not come to China for the human rights issue and yet he got an unexpected reward: China expressed willingness to restore contacts with the United States on the human rights issue. This was also an achievement beyond Brown's expectations.

Despite this, there is still a long way to go for China and the United States to really become trading allies and form a business partnership as Brown described.

It all depends on whether the two sides can reach a plan regarding China's reentry to GATT which is acceptable to both.

Chinese Premier Li Peng said during his Germany trip in July that "economics is the biggest politics." Since the end of the Cold War, economic relations have become the prime factor affecting relations between nations.

China now takes economic development as its number one task while the United States is desperate to reinvigorate its economy. As long as the two sides are really sincere, pragmatic, and flexible, and mutual benefits are on an equal footing can they really establish a business partnership. However, neither side will gain if they confront each other politically and economically.

Central Eurasia

XINHUA Reports on Jiang Zemin's Ukraine Trip

Jiang Arrives in Ukraine

OW0609173694 Beijing XINHUA in English 1715 GMT 6 Sep 94

[Text] Kiev, September 6 (XINHUA)—Chinese President Jiang Zemin arrived here today for a three-day official visit to Ukraine at the invitation of Ukrainian President Leonid Kuchma.

Greeting President Jiang at the airport were Ukrainian Prime Minister Vitaly Masol and other high-ranking officials.

In a written speech made at the airport, Jiang said China attaches great importance to the development of friendship and cooperation with Ukraine.

He said relations between the two countries have enjoyed a smooth development in the fields of politics, economy, trade and culture since the establishment of diplomatic ties between them.

Jiang said the main purpose of his visit to Ukraine is to explore with Ukrainian leaders ways to further Sino-Ukrainian ties and push them to a new level with the 21st century approaching.

He said he will have talks with Kuchma and other Ukrainian leaders and exchange views with them on bilateral relations and international issues of common concern.

He also said that during his visit the two countries will sign a number of documents governing the development of bilateral relations.

Soon after Jiang's arrival, the Ukrainian president held a grand welcome ceremony for the Chinese president at the Marinsky Palace.

In the evening, Kuchma gave a grand state banquet in Jiang's honor.

Jiang arrived here from Russia on a three-day official visit to Ukraine, the second leg of his Europe tour, which will also take him to France.

Further on Arrival

OW0709022494 Beijing XINHUA Domestic Service in Chinese 1525 GMT 6 Sep 94

[By reporters Zhang Daoqing (1728 6670 1987) and Fan Weiguo (5400 0251 0948)]

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[Text] Kiev, 6 Sep (XINHUA)—At the invitation of Ukrainian President Kuchma, PRC President Jiang Zemin arrived in Kiev this afternoon for a three-day official visit to Ukraine.

This is the first visit of China's supreme leader to Ukraine.

The autumn air in Kiev is clear and crisp, while September has brought bright sunshine and gentle breezes. The Boeing 747 special airplane carrying Jiang Zemin landed at the Borispol International Airport at 1430 local time.

Beaming with happiness, Jiang Zemin walked down the gangway ladder vigorously. Ukrainian Prime Minister Masol stepped forward to extend his warm welcome and shook hands with President Jiang Zemin and his wife Wang Yeping. Young men in ethnic costume presented fresh flowers, whereas Ukrainian girls offered bread and salt to the Chinese guests—the most courteous reception given by Ukrainians.

Also arriving with Jiang Zemin for the visit were Vice Premier and Foreign Minister Qian Qichen, wife Zhou Hanqiong, and Special Assistant Zeng Qinghong; Chen Jinhua, minister in charge of the State Planning Commission; Vice Foreign Minister Dai Bingguo and Special Assistant Tian Qiyu; and Li Guohua, vice minister of foreign trade and economic cooperation, and Special Assistant Teng Wensheng.

Also greeting President Jiang Zemin at the airport were Ukrainian Acting Foreign Minister Udoenko; Tabachnyk, head of the Ukrainian Presidential Administration; and others.

Jiang Zemin's entourage, Chinese Ambassador to Ukraine Zhang Zhen and his wife He Yumei were also at the airport.

President Jiang Zemin issued a written speech at the airport. He said: "Today, I am very pleased to be invited by President Kuchma and have an opportunity to visit and see for myself the beautiful country of Ukraine. Representing the Chinese people, I would like to take this opportunity to extend our friendly greetings to and highest respects for the Ukrainian people and Kiev citizens."

He noted: Ukraine is an important country with great potential for development in Europe. The peoples of China and Ukraine have maintained their traditional friendship, and China has attached great importance to developing friendly and cooperative ties with Ukraine. Since the two countries set up diplomatic ties, bilateral relations in the fields of politics, economics, trade, and culture have developed smoothly.

Jiang Zemin said: "The main purpose of my visit here is to explore with the Ukrainian leaders ways to further develop bilateral relations and to raise such relations to a new level with a view to the 21st century. During my

visit, I will exchange in-depth views with President Kuchma and other leaders on bilateral relations and international issues of common concern, as well as sign some documents on developing bilateral ties. I believe this visit will serve to deepen mutual understanding, trust, and friendship and usher in a new era of Sino-Ukrainian relations for the benefit of the two countries and two peoples."

Later, President Jiang Zemin was accompanied by Prime Minister Masol to the Ukrainian National Guest House, where he is to stay during his visit.

Jiang Given 'Grand' Welcome in Kiev

OW0609193394 Beijing XINHUA in English 1924
GMT 6 Sep 94

[Text] Kiev, September 6 (XINHUA)—Ukrainian President Leonid Kuchma welcomed Chinese President Jiang Zemin to Ukraine at a grand ceremony held here today.

Kuchma and his wife greeted President Jiang and his wife, Wang Yeping, at the Marinsky Palace in downtown Kiev.

The two presidents reviewed a guard of honor and a military band played the anthems of China and Ukraine.

After the welcoming ceremony, the two presidents held talks on relations between the two countries and international issues of common concern.

It is the first visit to Ukraine by a Chinese president after the former Soviet republic declared independence in 1991.

China recognized Ukraine in December 1991 and the two countries established diplomatic ties a week later.

The past two years and more witnessed rapid growth in their relations. The total volume of bilateral trade reached 580 million U.S. dollars in 1993, an increase of 162.7 percent over the previous year.

Jiang said upon his arrival at the Ukrainian capital that his current visit was designed to further relations of cooperation and mutual benefit.

The two sides are expected to sign later today several documents on their closer cooperation in various fields.

The Chinese president arrived here from Russia earlier today for a three-day official visit to Ukraine, the second leg of a three-nation tour, which will also take him to France.

Kuchma Hosts Ceremony

OW0709025594 Beijing XINHUA Domestic Service in Chinese 1616 GMT 6 Sep 94

[By reporters Zhang Daoqing (1728 6670 1987) and Fan Weiguo (5400 0251 0948)]

[Text] Kiev, 6 Sep (XINHUA)—Ukrainian President Kuchma held a grand ceremony at the Marinsky Palace this afternoon to warmly welcome PRC President Jiang Zemin's visit.

The garden of the magnificent Marinsky Palace was decorated with fresh flowers and green plants. A guard of honor of the Ukrainian three services lined up to welcome President Jiang Zemin and wife's arrival. While the military band played majestic music, President Kuchma and his wife stepped forward toward the Chinese guests; they shook hands and exchanged greetings.

Accompanied by Kuchma, Jiang Zemin reviewed the guard of honor, whereas the military band played the national anthems of the two countries.

Later, Jiang Zemin and Kuchma walked into the palace and began small-scale talks. The two leaders will hold large-scale talks this evening.

Jiang Issues Statement

OW0609194294 Beijing XINHUA in English 1932
GMT 6 Sep 94

[Text] Kiev, September 6 (XINHUA)—Chinese President Jiang Zemin and his wife arrived here today for a three-day official visit to Ukraine.

Jiang and his entourage, including Vice-Premier and Foreign Minister Qian Qichen, were greeted by Ukrainian Prime Minister Vitaliy Masol and Acting Foreign Minister Gennady Udovenko at Borispol Airport.

"I am very pleased to have an opportunity to see for myself the beautiful country of Ukraine," Jiang said in a written statement issued upon his arrival here from Russia's Ural city of Yekaterinburg for his first visit to the European country, the second leg of his three-nation tour.

The visit is designed to "explore new avenues of cooperation between the two countries and to raise bilateral relations to a new level with a view to the next century," Jiang noted.

"I will exchange in-depth views with President Leonid Kuchma and other Ukrainian leaders on bilateral relations and international issues of common concern," he said.

Jiang added that some documents on cooperation between the two countries are expected to be signed during his stay in Kiev.

The Chinese president expressed the belief that his visit will serve to deepen mutual understanding, trust and friendship and usher in a new era of Sino-Ukrainian relations for the benefit of the two countries and two peoples.

At the airport, three Ukrainian girls in folk costume offered Jiang and his wife home-made salt and bread, a traditional way of welcome.

Kuchma Hosts 'Grand Banquet'

OW0609194894 Beijing XINHUA in English 1934
GMT 6 Sep 94

[Text] Kiev, September 6 (XINHUA)—Ukrainian President Leonid Kuchma gave a grand banquet in honor of visiting Chinese president Jiang Zemin at the marinsky palace here this evening.

In his toast speech, Kuchma extended warm welcome to Jiang and expressed the belief that the visit will be a complete success.

Jiang said in his toast that although he and his party arrived here only hours ago, they have been impressed by the profound feelings of the Ukrainian people for their Chinese counterpart.

He said China values its ties with Ukraine, and respects and understands the paths of socio-economic development it has chosen in the light of its own national conditions.

Jiang expressed the conviction that the Sino-Ukrainian friendly ties and mutually beneficial cooperation will be uplifted to a new level through joint efforts.

Jiang's entourage, including Chinese Vice-Premier and Foreign Minister Qian Qichen, attended the banquet.

Also on the occasion were Ukrainian Prime Minister Vitaliy Masol and Acting Foreign Minister Hennadiy Udovenko.

The Chinese president arrived here earlier today for a three-day official visit to the country, the second leg of his three-nation Europe tour, which will also take him to France. He had already visited Russia.

More on Banquet

OW0709082394 Beijing XINHUA Domestic Service in Chinese 1746 GMT 6 Sep 94

[By reporter Zhang Daoqing (1728 6670 1987) and Li Hongqi (2621 4767 2475)]

[Text] Kiev, 6 Sep (XINHUA)—Ukrainian President Leonid Kuchma gave a grand state banquet in honor of Chinese President Jiang Zemin, who is on an official visit in Ukraine, at the Marinsky Palace here this evening.

The beautiful grand banquet hall was brightly lit and was permeated with a warm, welcoming atmosphere. As President Jiang Zemin and his wife Wang Zhiping walked in the banquet hall accompanied by President Kuchma, all guests stood and applauded.

Kuchma gave a welcoming speech. He said: "I am very glad to welcome our Chinese friends to the historical and hospitable land of Ukraine. Although the geographic distance between Ukraine and China is very great, friendly exchanges between the peoples of the two countries date back to ancient times."

Kuchma pointed out: "The common goals of making efforts in reform; promoting both material and spiritual standards; and developing world cooperation on a basis of world peace, security, stability, and equality unite us together."

He said: The establishment of diplomatic relations between Ukraine and China has strengthened the contacts between the leaders of the two countries. This is the first time that a PRC president has visited Ukraine and the visit will lay a foundation and a milestone for bilateral relations in the next century.

He pointed out contentedly: We have held fruitful talks on important political and economic issues and reached some agreements. I would like to express my gratitude to President Jiang Zemin for this. The signing of the joint statement is an important event. The statement and other documents signed by President Jiang Zemin and me laid a solid foundation for further cooperation between Ukraine and China and will raise the special partnership to a higher level.

Kuchma hoped that the traditional friendship between the two countries will not only promote the construction of bilateral relations and expand the channels for dialogue between the two peoples, but also will enhance mutual constructive cooperation on the international stage.

Kuchma stressed: Ukraine and China have much in common and the friendly cooperative relations between the two countries are an important factor that safeguards world stability.

In his toast speech, Jiang Zemin expressed his gratitude for Kuchma's invitation and warm hospitality. He said: Although I have just been in your country for a few hours, I have already felt the Ukrainian people's profound affection for the Chinese people. We are deeply touched. The Chinese people have always respected the Ukrainian people and we are always good friends. The Ukrainian people are a great people. The Chinese people appreciate the splendid Ukrainian culture and arts and many Chinese are familiar with the great Ukrainian poet Shevchenko. The two peoples conducted many friendly exchanges in the middle of the 20th century."

Jiang Zemin continued: "Since China and Ukraine have established diplomatic relations, a new beginning for exchanges between the two countries and their peoples has emerged. Over the past two years, the two countries have scored gratifying results in developing relations in political, economic, trade, and cultural fields. China and Ukraine have become important trade partners. The main purpose of my visit to Ukraine is to hold in-depth discussions with Ukrainian leaders on ways of further promoting the development of bilateral relations. I held talks with President Kuchma today. Although this is only our first meeting, we felt that we have known each other for a long time and we had a pleasant talk. We both held that we should look ahead to the 21st century while

developing our future relations. In the decades following the founding of the PRC, we made arduous effort to change China's poor and backward situation and scored achievements which were acknowledged by the world. Yet our country is not rich enough. To make China prosperous and powerful, the Chinese people are concentrating efforts in reform and modernization, proceeding from China's practical situation, and taking the road that suits us. We also see the friendly Ukrainian people working on construction and similar undertakings."

Jiang Zemin pointed out: The traditional friendship between the Chinese and Ukrainian peoples goes back to ancient times. The two countries share consensus and common interests in developing their economies and enhancing friendship and cooperation. China attaches great importance to its relations with Ukraine, and its consistent policies and principles in dealing with relations with Ukraine are: We respect and understand that the Ukrainian people are choosing ways of promoting social and economic development in accordance with their national conditions; we hold that differences in social systems, ideologies, and development styles should not affect the development of our bilateral relations; we support Ukraine's independence, sovereignty, and territorial integrity, and hope Ukraine will get along harmoniously and cooperate with its neighboring countries; we sincerely hope that Ukrainians will enjoy social stability, economic development, and living in a prosperous and powerful country; and we are making efforts to develop long-standing, stable, equal, mutually beneficial, friendly, and cooperative relations with Ukraine on the basis of the Five Principles of Peaceful Coexistence to achieve common prosperity. "I believe that the friendly and cooperative relations between China and Ukraine and their peoples will be raised to a new level through our concerted efforts."

In conclusion, Jiang Zemin said: "The Cold War has ended and the overall world situation has become relaxed. However, conflicts are still going on in many places and the world is not peaceful. Now the new century is approaching. We are willing to work together with the governments and peoples of Ukraine and other countries to promote world peace and development and to create a peaceful and beautiful new era."

Accompanying Jiang Zemin, Qian Qichen, vice premier of the State Council and foreign minister, and others attended the banquet.

Ukrainian Prime Minister Vitaliy Masol and others were present on the occasion.

After the banquet, Ukrainian artists gave excellent performances in a concert in honor of the Chinese guests.

Jiang, Kuchma Hold Talks

OW0609213894 Beijing XINHUA in English 2121
GMT 6 Sep 94

[Text] Kiev, September 6 (XINHUA)—Visiting Chinese President Jiang Zemin held talks with his Ukrainian counterpart Leonid Kuchma here today.

In their talks at the Mariyinskyy Palace, Jiang expressed his pleasure at meeting with Kuchma and congratulated him on his election as Ukrainian president.

Jiang said China is satisfied with the rapid development of its relations with Ukraine in the past few years after the two countries established diplomatic links.

He described Ukraine as an "influential" country in Europe, which has a long history and a splendid culture and is a good economic and scientific base.

"China values its ties with Ukraine and my visit is designed to explore new ways of mutually beneficial cooperation between the two countries, with a view to the next century," Jiang said.

"The joint statement we are about to sign will set forth principles for the sustained and steady development of our bilateral relations," Jiang said.

This document will give a further boost to the friendly relations and cooperation between the two countries, he said.

On Sino-Ukrainian ties, Jiang noted that in the past three years, bilateral trade and economic cooperation have been constantly expanded, with the two-way trade last year standing at about 600 million U.S. dollars. Ukraine is now the second largest trade partner of China among the former Soviet republics.

However, the current cooperation falls short of the huge potential of the two economies, Jiang noted.

The two countries should enhance their overall contacts at various levels, especially cooperation between big, reputed enterprises of both countries, he said.

During the talks, Kuchma said Ukraine attaches great importance to its relations with China. The development of these relations not only conforms to the fundamental interests of the two countries, but also is conducive to the cooperation between Europe and the Asia-Pacific region, he added.

During today's talks, the two leaders reached a broad consensus of views on international issues.

Both held that conflicts should be settled through peaceful means.

They reaffirmed their opposition to hegemony and power politics in international relations, and called for the establishment of a new international political and economic order.

Jiang expressed the hope that Ukraine will maintain good relations with its neighbors, Russia in particular.

Kuchma reiterated that Ukraine views the Government of the People's Republic of China as the sole legitimate government representing the whole of China and Taiwan as its integral part, and that his country will have no official ties with Taiwan.

Jiang voiced his appreciation of this stand. He reassured Kuchma that China recognizes and respects Ukraine's independence, sovereignty and territorial integrity.

Touching on the nuclear issue, Jiang appreciated Ukraine's non-nuclear target and its positive efforts made in this regard.

Jiang noted that ever since China came into possession of nuclear weapons, it has announced that it will not be the first to use nuclear weapons and has undertaken not to use or threaten to use nuclear arms against non-nuclear states.

China calls on all nuclear powers to make the same commitment and make joint efforts for the conclusion of an international treaty to ban nuclear test at an early date, Jiang added.

During the talks, the two presidents also briefed each other on the domestic situation in their respective countries.

Jiang invited Kuchma to visit China and Kuchma accepted the invitation with pleasure.

Vice-Premier and Foreign Minister Qian Qichen and other senior Chinese officials took part in the talks.

Among the Ukrainians present on the occasion were Acting Foreign Minister Hennadiy Udovenko and Director of the Presidential Office Dmitriy Tabachnik.

More on Talks

OW0709054894 Beijing XINHUA Domestic Service in Chinese 1916 GMT 6 Sep 94

[By XINHUA reporters Li Hongqi (2621 4767 2475), Zhang Daoqing (1728 6670 1987) and Fan Weiguo (5400 0251 0948)]

[Text] Kiev, 6 Sep (XINHUA)—PRC President Jiang Zemin held talks with Ukrainian President Kuchma here this afternoon. They held wide-ranging and in-depth discussions of bilateral issues and international issues of common concern.

The talks took place at the Mariyinskyy Palace. Jiang Zemin expressed his pleasure at meeting with Kuchma, extended heartfelt congratulations on his election as Ukrainian president, and wished him outstanding achievements in his exalted post.

Jiang Zemin said: China and Ukraine, though located respectively in Asia and Europe, have a traditional friendship between their peoples. We will not forget the help we received from Ukraine in the years immediately after the PRC's founding, especially its help in training many Chinese specialists.

Jiang Zemin pointed out: Ukraine's independence and the establishment of diplomatic ties between China and Ukraine ushered in a new period of development in Sino-Ukraine relations. In the past three years, bilateral

cooperation in the fields of politics, economics, science and technology, culture, and education have developed smoothly, and China is satisfied.

Jiang Zemin pointed out: Ukraine is an influential country in Europe, has a long history, a splendid culture, abundant resources, and a good economic and scientific base. China attaches great importance to its ties with Ukraine. He said: "My visit is designed to explore, together with Your Excellency and other leaders of your country, new ways of extending mutually beneficial cooperation between the two countries and ushering in the future of our bilateral relations with a view to the next century."

Jiang Zemin said: The joint statement we are about to sign will set forth guiding principles for the sustained and steady development of our bilateral relations. It is an important document in the history of Sino-Ukrainian relations, giving a huge boost to the friendly relations and cooperation between the two countries.

Speaking of bilateral economic cooperation and trade, Jiang Zemin said: Since China and Ukraine established diplomatic ties, bilateral trade and economic cooperation have been constantly expanded, with two-way trade last year standing at about \$600 million. Ukraine is now the second largest trade partner of China among the former Soviet republics. Bilateral trade continued to expand this year. China's and Ukraine's economies are mutually complementary. The current cooperation falls short of the huge potential of the two economies. Therefore, the two countries should enhance their contacts at various levels and in all areas, especially cooperation between big, reputed enterprises of both countries, to bring about a sustained and steady development of bilateral economic cooperation and trade.

President Kuchma expressed his appreciation for President Jiang Zemin's visit. He said: I have been to China three times and saw the tremendous changes that took place in China and the remarkable achievements China has achieved in construction. The Chinese people are chartering a path of its own characteristics and their efforts in building their country while maintaining stability are admirable.

He said: Ukraine admires very much China's achievements in foreign affairs, especially the rapid development of China's relations with her neighbors. He said that he agreed with Jiang Zemin's stance and views on Sino-Ukrainian relations, noting that Ukraine attaches great importance to its relations with China. As countries located respectively in Europe and the Asia-Pacific region, the development of bilateral relations not only conforms to the fundamental interests of the two countries, but also is conducive to the cooperation between Europe and the Asia-Pacific region.

Exchanging views on international issues, the two leaders reached a broad consensus of views. Both held that conflicts between nations should be settled through

peaceful means. No one should put pressure on others, still less resort to force or the threat to use force. They reaffirmed their opposition to hegemony and power politics in international relations, and called for the establishment of a just and rational new international political and economic order based on the UN Charter and the five principles of peaceful coexistence.

Jiang Zemin said that China hopes that Europe and the region around Ukraine will remain stable and that Ukraine will maintain good relations with its neighbors, Russia in particular.

President Kuchma reiterated that Ukraine views the Government of the People's Republic of China as the sole legitimate government representing the whole of China and Taiwan as its integral part, and that his country will have no official ties with Taiwan. He stressed that Ukraine will adhere to its stand that there is only one China.

Jiang voiced his appreciation of Ukraine's stand. He reassured Kuchma that China recognizes and respects Ukraine's independence, sovereignty, and territorial integrity.

Touching on Ukraine's nuclear issue, Jiang Zemin said: The Chinese Government appreciates Ukraine's adherence to its non-nuclear target and position, and the positive steps it has taken in this regard. He said China understands Ukraine's concern for its security and its demands for security guarantees and financial and technical aid.

Jiang Zemin noted that ever since China came into possession of nuclear weapons, it has announced that it will not be the first to use nuclear weapons and has undertaken not to use or threaten to use nuclear arms against non-nuclear states or regions. China calls on all nuclear powers to make the same commitment and make joint efforts for the conclusion of an international treaty that ensures the safety of non-nuclear states at an early date. He said: "This stand of ours also applies to Ukraine. We believe that if all nuclear powers make this commitment, there will be reliable guarantees for Ukraine's security. We call on all nations to make this commitment in order to guarantee the security of non-nuclear states."

The two presidents also briefed each other on the domestic situation in their respective countries. President Jiang Zemin invited President Kuchma to visit China at a time convenient to him. President Kuchma accepted the invitation with pleasure.

Chinese officials taking part in the talks were Qian Qichen, vice premier and minister of foreign affairs; special assistant Zeng Qinghong; Chen Jinhua, minister in charge of the State Planning Commission; Dai Bingguo, vice minister of foreign affairs; Special Assistant Tian Qiyu; Li Guohua, vice minister of foreign economic relations and trade; and special assistant Teng Wensheng; and Zhang Zhen, Chinese ambassador to Ukraine.

Among the Ukrainians present at the talks were Acting Foreign Minister Hennadiy Udovenko; Tabachnyk, chief of the Presidential Staff; Osyka, minister of foreign economic relations; Petrov, minister of machine building, military-industry complex and conversion; Prozhyval'skyy, minister of communications; Radchenko, minister of internal affairs; Shpek, minister of economics; Alchemenko, minister of transport; and Plyushko, Ukrainian ambassador to China.

Statement Signed on Bilateral Ties

OW0609214994 Beijing XINHUA in English 2124 GMT 6 Sep 94

[Text] Kiev, September 6 (XINHUA)—China and Ukraine signed here today a joint statement reaffirming the principles governing bilateral relations.

Visiting Chinese President Jiang Zemin and his Ukrainian counterpart Leonid Kuchma signed the document at the Mariyinsky palace in downtown Kiev.

The statement said that China and Ukraine consider each other as a friendly country and will further their relations on the basis of the five principles of peaceful coexistence and in line with the UN Charter and internationally recognized norms.

"The development of relations of friendship and cooperation is not against any third country," the statement said.

Neither side will participate in any military and political alliance directed against the other, nor will it sign any treaty or agreement harming the other's sovereignty and security interests, the statement added.

Opposing any form of arms race and calling for the overall prohibition and thorough elimination of weapons of mass destruction, the two sides hold that an international treaty should be signed at the earliest to ban nuclear tests, according to the statement.

It said both sides are also opposed to hegemony and power politics, and they maintain that conflicts should be settled through peaceful means.

It said Ukraine recognizes the Government of the People's Republic of China as the sole legitimate representative of China and Taiwan as its integral part, while China recognizes and respects Ukraine's independence, sovereignty and territorial integrity.

The two sides agree that trade and economic cooperation constitute a major part of bilateral relations. They pledge to deepen economic and trade ties on the basis of equality and mutual benefit, and agree to provide each other with the most-favored-nation trade status, said the statement.

The statement said the two sides also recognize the importance of integrating the world economy, and plan

to seek new ways of exchange between Europe and Asia in economy and trade, science and technology and other spheres.

It also said the two sides agree to maintain regular political dialogue, including summit meetings, and to continue consultation and close cooperation between the foreign ministries of the two countries.

Also today, the two sides signed agreements on cooperation in the areas of post and telecommunications, shipping and public security.

In addition, the two foreign ministries inked a protocol on information cooperation.

Leaders Sign Joint Statement

OW0709051794 Beijing XINHUA Domestic Service in Chinese 1826 GMT 6 Sep 94

[By reporters Zhang Daoqing (1728 6670 1987) and Fan Weiguo (5400 0251 0948)]

[Text] Kiev, 6 Sep (XINHUA)—The joint statement between China and Ukraine and a series of important documents were signed in Kiev this afternoon.

The signing ceremony was held at the Marinsky Palace. PRC President Jiang Zemin and Ukrainian President Kuchma signed the "PRC-Ukraine Joint Statement" first.

On behalf of the Chinese Government, Vice Premier and Foreign Minister Qian Qichen signed the "Cooperative Agreement between the PRC Ministry of Posts and Telecommunications and the Ukrainian Ministry of Communications" and the "Cooperative Agreement on Shipping between the PRC Government and the Ukrainian Government" with Ukrainian Minister of Communications Prozhyval'skyy and Minister of Transport Alchemenko, respectively.

China and Ukraine also signed the "Protocol on Cooperation in the Area of Journalism between the PRC Ministry of Foreign Affairs and the Ukrainian Ministry of Foreign Affairs" and the "Cooperative Agreement between the PRC Ministry of Public Security and the Ukrainian Ministry of Internal Affairs."

More on Banquet, Accord

OW0709012594 Beijing XINHUA in English 0100 GMT 7 Sep 94

[Text] Kiev, September 6 (XINHUA)—Ukrainian President Leonid Kuchma held a grand banquet for visiting Chinese President Jiang Zemin at the Marinsky Palace this evening.

In his toast speech, Kuchma extended warm welcome to Jiang, who arrived in the Ukrainian capital this afternoon for a three-day official visit, the first of its kind by a Chinese president.

Ukraine and China, though far away from each other, have long-standing contacts and friendship, Kuchma said, adding that the establishment of diplomatic relations have helped to enhance bilateral exchanges and push them to a new high.

The Chinese president's current visit to Ukraine has created favorable conditions and laid a landmark for the Ukrainian-Chinese relations for the next century, he noted.

Kuchma said he has held fruitful talks with Jiang and the two sides have also concluded several agreements.

The joint statement, signed here this afternoon by presidents Jiang and Kuchma, has laid a solid foundation for bilateral cooperation and will raise them to a special partnership, Kuchma said.

"We consider our bilateral relations from a global perspective, both at present and in the future," he noted.

"I hope that the potential of our friendship will not only promote the development of our bilateral ties, but also promote our constructive cooperation on the world stage," Kuchma said.

In his speech, Jiang said that although he and his party arrived here only hours ago, they have been impressed by the profound feelings of the Ukrainian people for the Chinese.

Though separated by mountains and rivers, the two peoples share long-standing friendship as well as common understanding and interests, Jiang said.

China values its relations with Ukraine, respects and understands the social, economic development paths it has chosen in light of its own national conditions, he went on.

"We hold that differences in social system, ideology and development mode shouldn't affect the growth of our relations," Jiang noted.

He voiced the conviction that the Sino-Ukrainian friendly ties and mutually beneficial cooperation, based on the five principles of peaceful co-existence, will be uplifted to a new high level through the joint efforts of both sides.

China supports Ukraine's independence, sovereignty and territorial integrity. In the meantime, it hopes that Ukraine will live in concord and cooperate with its neighbors for their common benefits, Jiang asserted.

China also hopes that Ukraine will overcome the temporary difficulties and enjoy social stability and economic development and its people a happy life, Jiang said.

Referring to the international situation, Jiang said that although the Cold War is over and the world is moving increasingly toward relaxation, it is far from tranquil, with some regions still plagued by war and conflict.

"A new century is approaching us. The Chinese Government and people are ready to make utmost efforts for promoting world peace and development and for a new peaceful, friendly and beautiful century, along with their counterparts in Ukraine and the rest of the world," Jiang stressed.

After the banquet, Jiang and his party were entertained with musical performances.

Jiang's entourage, including Chinese Vice-Premier and Foreign Minister Qian Qichen, attended the events. Also present were Ukrainian Prime Minister Vitaliy Masol and acting Foreign Minister Hennadiy Udovenko.

Jiang Sends Message to Yeltsin

OW0609222594 Beijing XINHUA Domestic Service in Chinese 1444 GMT 6 Sep 94

[Text] Kiev, 6 Sep (XINHUA)—President Jiang Zemin of the People's Republic of China ended his 5-day official visit to Russia today. During his flight from Yekaterinburg to Ukraine, he sent a telegram to Russian President Yeltsin, expressing his thanks for the warm reception during his stay in Russia.

The telegraph reads: "My visit to the Russian Federation was a complete success. We felt the Russian people's deep friendly sentiments toward the Chinese people everywhere we went. While leaving Russia, I would like, on behalf of myself and the Chinese people, to express my thanks once again to you and, through you, to the great people of Russia."

Jiang Zemin wished Russia prosperity and its people happiness. He also expressed his wish that China and Russia will enjoy a continued development of good neighborliness, friendship, and cooperative ties of mutual benefit.

Days Events Reviewed

OW0709051994 Beijing XINHUA Domestic Service in Chinese 1744 GMT 6 Sep 94

["Specially for Provincial Newspapers: Jiang Zemin Arrives in Ukraine for Visit"]

[Text] Kiev, 6 Sep (XINHUA)—PRC President Jiang Zemin arrived in Kiev today to begin a three-day official visit to Ukraine.

Jiang Zemin arrived here on a special plane from Yekaterinburg after concluding an official visit to Russia.

This is the first visit by a supreme Chinese leader to Ukraine. Jiang Zemin issued a statement on his arrival at the airport in Kiev. He said: Ukraine is an important country in Europe that possesses tremendous development potential. China and Ukraine have maintained traditional friendship, and China attaches great importance to developing friendly and cooperative relations with Ukraine. Since establishing ties, China and Ukraine

have made smooth progress in their relations in political, economic, trade, and cultural fields. Jiang Zemin said the main purpose of the visit is to explore, jointly with Ukrainian leaders, ways for furthering relations between the two countries and for elevating bilateral relations to a new level geared toward the 21st century. He believed that the visit will deepen mutual understanding, trust, and friendship as well as develop a new future for Sino-Ukrainian relations.

In the afternoon, Ukrainian President Kuchma held a grand ceremony at the Mariyinsky Palace to warmly welcome PRC President Jiang Zemin's visit. Accompanied by Kuchma, Jiang Zemin reviewed a guard of honor formed by the three services as a military band played the Chinese and Ukrainian national anthems. Later, Jiang Zemin and Kuchma began their talks.

President Kuchma hosted a grand banquet in the evening to welcome Jiang Zemin's visit. Kuchma was the first to speak. He said: Although Ukraine and China are separated by great distance, friendly contacts between peoples of the two countries date back to ancient times. He felt that the establishment of Sino-Ukrainian diplomatic relations has strengthened contacts between Chinese and Ukrainian leaders. The first visit to Ukraine by a Chinese president in history has laid down the foundation and milestone for development of mutual relations between the two countries for the next century. Kuchma stressed that he has held fruitful talks and reached relevant agreements with Jiang Zemin on important political and economic issues. The signing of a joint statement and other documents has laid down a solid foundation for furthering Ukrainian-Chinese cooperation and raising it to the level of special partnership relations.

In his toast speech at the banquet, Jiang Zemin said: Since establishing relations, China and Ukraine and their peoples have started new contacts between them. The two sides have made encouraging development in political, economic and trade, and cultural fields, and have become important trading partners. Jiang Zemin said that although it was the first time he met President Kuchma at today's talks, he had the feeling of meeting an old friend. The two sides felt that it is necessary to develop future relations between the two countries from a high plain gearing toward the 21st century. Jiang Zemin pointed out: The Chinese Government has consistently followed the policy and principle of respecting and understanding the socioeconomic development road selected by the Ukrainian people in accordance with their national conditions. In addition, China feels that different social systems, ideologies, and development styles should not affect [bu ying ying xiang 0008 2019 1758 0742] development of relations between the two countries. China supports Ukraine's independence, sovereignty, and territorial integrity, and hopes that Ukraine will get along harmoniously [he mu xiang chu 0735 4207 4161 5710] with its neighboring countries as well as forge mutually-beneficial and cooperative relations with them. China sincerely hopes that Ukraine will

be socially stable, economically developed, and wealthy and strong, and its people prosperous. China will work to develop long-standing, stable, equal, mutually-beneficial, and friendly cooperative relations as well as seek common prosperity with Ukraine based on the five principles of peaceful coexistence. Jiang Zemin believed friendly and cooperative relations between China and Ukraine and their peoples will be elevated to a new level with joint efforts from the two sides.

The two sides also signed a joint statement and other documents on bilateral relations today.

Jiang Meets Parliament Head

OW0709113794 Beijing XINHUA in English 1110
GMT 7 Sep 94

[Text] Kiev, September 7 (XINHUA)—Visiting Chinese President Jiang Zemin met with Aleksandr Moroz, chairman of the Supreme Soviet of Ukraine, here today.

The Chinese president and his party are here on a three-day official visit, the second leg of his three-nation European tour.

At the meeting, Jiang spoke highly of Moroz's efforts to promote bilateral relations in his capacity as chairman of Ukraine's Supreme Soviet.

The exchanges between the two parliaments are an important part of bilateral relations, which plays an important role in enhancing mutual understanding, friendship and cooperation, Jiang said.

Moroz told Jiang that the members of the Supreme Soviet of Ukraine that had visited China were deeply impressed by China's progress. Their briefing to the government and parliament on the visit also aroused great interest.

"This shows that enhanced cooperation between the two parliaments helps greatly the development of bilateral relations," Moroz said.

During the 50-minute meeting, Jiang conveyed to Moroz best regards from his Chinese counterpart Qiao Shi, and invited him to visit China.

The meeting proceeded in a "cordial and friendly" atmosphere, as described by Chinese officials.

Chinese Vice-Premier and Foreign Minister Qian Qichen and Ukrainian Acting Foreign Minister Hennadiy Vdovenko attended the meeting.

Ukrainian Ties Reviewed

OW0509183194 Beijing XINHUA Domestic Service in Chinese 0202 GMT 4 Sep 94

[By XINHUA reporter Zhang Guowang (1728 0948 2489)]

[Text] Beijing, 4 Sep (XINHUA)—At the invitation of Ukrainian President Leonid Kuchma, PRC President

Jiang Zemin will formally visit Ukraine 6-8 September. This visit will definitely enhance bilateral understanding, trust, and friendship, and develop new prospects for the relationship between the two countries.

Since Ukraine became independent on 24 August 1991, China and Ukraine have made amicable progress in various aspects of their bilateral relations, including the political, economic, trade, scientific, technological, and cultural fields.

Let us look at the political aspects. Shortly after Ukraine became independent, the Chinese Government announced its recognition of Ukraine's independence on 27 December 1991. Representatives of both governments signed a communique to establish diplomatic ties in Kiev on 4 January 1992, and decided to establish diplomatic ties at the ambassadorial level on the same day. In the communique on establishing diplomatic ties, both countries agreed to develop bilateral relations of friendship and cooperation on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

Ukrainian President Kravchuk accepted an invitation to visit China at the end of October 1992. The visit was a complete success. The visit's most important achievements in enhancing political relations between the two countries were that both countries signed the Sino-Ukrainian Joint Communique and 11 other documents on governmental cooperation. At a meeting with Kravchuk, Jiang Zemin pointed out: "Both China and Ukraine have common interests in many fields. We should mutually support each other and strengthen bilateral cooperation, and should particularly intensify bilateral cooperation in economic relations and trade on an equal footing and in a mutually beneficial manner."

Since, high-level exchanges between the two countries have continued. Plyushch, chairman of the Ukrainian Supreme Soviet, visited China in April 1993 and was warmly welcomed by Qiao Shi, chairman of the National People's Congress. Chinese Vice Premier and Foreign Minister Qian Qichen, who visited Ukraine in September 1993, was the first Chinese Government leader to visit Ukraine since the two countries established diplomatic ties. Moroz, newly appointed chairman of the Ukrainian Supreme Soviet, emphatically pointed out recently: Ukraine pays attention to developing bilateral cooperation in various fields with China.

Economic relations and trade between China and Ukraine have developed relatively well, and bilateral trade value has increased annually. Both countries signed agreements in August 1992 for the two governments to facilitate cooperation in economic relations and trade. The value of Sino-Ukrainian trade rose to \$580 million in 1993, up 162.7 percent over that of 1992. At present, there are 41 Sino-Ukrainian joint-venture enterprises in Ukraine. In early April 1994, He

Guangyuan, chairman of the Sino-Ukrainian Government Economic Relations and Trade Cooperation Commission's [SUGERTCC] Chinese group and minister of China's machine-building industry, and Samoplavskyy, chairman of the SUGERTCC's Ukrainian group and Ukrainian deputy prime minister, jointly presided over a first SUGERTCC meeting in Kiev. They held: China and Ukraine are highly supplementary in bilateral economic relations and trade. Both countries have favorable conditions for developing mutually-beneficial trade and economic cooperation and expect very bright prospects in this regard.

China and Ukraine have been improving mechanisms to facilitate scientific and technological cooperation. Both countries are earnestly implementing the agreements on scientific and technological cooperation between the two governments that were signed more than two years ago.

Cultural exchanges between the two countries have been increasing gradually. Agreements on Sino-Ukrainian educational cooperation from 1993 to 1995, signed between China and Ukraine in 1993, were the first agreements signed by China and Ukraine on educational cooperation between the two governments since they established diplomatic ties. Ukrainian Minister of Culture Dzyuba visited China in August 1993 and signed cultural cooperation agreements. Both China and Ukraine have magnificent cultures and art. As Sino-Ukrainian bilateral relations develop, cultural and artistic exchanges between the two countries will definitely expand.

Report Views Ties With Ukraine

OW0509094194 Beijing XINHUA Domestic Service in Chinese 0203 GMT 5 Sep 94

[By Zhang Guowang (1728 0948 2489): "Chronicle of Events Between China and Ukraine"]

[Text] Beijing, 5 Sep (XINHUA)—At the invitation of Ukrainian President Leonid Kuchma, PRC President Jiang Zemin will pay an official visit to Ukraine from 6 to 8 September. This is the first visit by a Chinese head of state to Ukraine since its independence on 24 August 1991. Great development has been achieved in promoting relations between China and Ukraine since the latter's independence, and cooperation in various fields is being further strengthened.

On 27 December 1991, the Chinese Government announced its recognition of Ukraine's independence.

On 4 January 1992, China and Ukraine signed a communique in Kiev on establishing diplomatic relations and developing friendship and cooperation on the basis of the Five Principles of Peaceful Coexistence.

On 27 April, the Chinese and Ukrainian Governments signed the "Agreement on Scientific and Technological Cooperation Between the Governments of the People's Republic of China and Ukraine" in Kiev.

On 6 August, Anatoliy Voronkov, Ukrainian minister of external economic relations and trade, visited China, and the two governments signed an agreement on economic cooperation and trade.

From 29 October to 3 November, Ukrainian President Leonid Kravchuk visited China, and the two sides signed a joint communique and 11 cooperation documents between the governments of the two countries.

From 11 to 17 April 1993, Ukrainian Supreme Council Chairman Ivan Plyushch visited China.

On 10 June, an agreement on cooperation in education between China and Ukraine for 1993-95 was signed in Kiev. This was the first agreement on cooperation in education signed between the two governments since the establishment of diplomatic relations.

In early August, Ukrainian Culture Minister Ivan Dzyuba visited China, and the two countries signed an agreement in Beijing on cultural cooperation.

From 6 to 8 September, Qian Qichen, Chinese vice premier and concurrently foreign minister, visited Ukraine.

On 6 April 1994, the first meeting of the China-Ukraine Economic and Trade Cooperation Committee was held in Kiev.

Luo Gan Meets Ukrainian Visitors

OW0609103194 Beijing XINHUA in English 0805 GMT 6 Sep 94

[Text] Beijing, September 6 (XINHUA)—Chinese State Councillor and Secretary General of the State Council Luo Gan met here today with Ukrainian Vice-Minister of Justice B. Stechinskiy, and they exchanged opinions on issues of common concern.

The two-member Ukrainian delegation arrived here September 2 at the invitation of the Chinese Ministry of Justice. They are also scheduled to visit Tianjin.

Further Reportage on Jiang Zemin's Visit to Russia

Rogachev Views Moscow Visit

OW0209185094 Beijing China Radio International in Russian 1900 GMT 30 Aug 94

["Main Parts" of a recorded interview with Igor Rogachev, Russian ambassador to the PRC, by an unidentified China Radio International correspondent; from the "Current Affairs" rubric; passages within quotation marks recorded]

[Text] Jiang Zemin, president of the PRC, will make an official visit to Russia from 2 to 6 September at the invitation of Boris Yeltsin, president of the Russian Federation. On the eve of this visit, a correspondent of

our radio interviewed Mr. Igor Rogachev, ambassador of Russia to China. We now bring you the main parts of this interview.

First of all, our correspondent asked Mr. Rogachev to describe the current state of Chinese-Russian relations. This is what he said:

"I will gladly answer your questions. The relations between Russia and China and between our two peoples are passing through a very important stage at present, a formative stage. In fact, it could be said that this stage is already concluding. The coming summit meeting—the Moscow talks between Boris Nikolayevich Yeltsin, president of the Russian Federation, and Jiang Zemin, president of the PRC—will be a very timely and important event in the history of relations between our two countries.

The foundation of our relations—the relations between the new independent Russia and the PRC—was laid in December 1992 when the first summit meeting was held in Beijing. As you may recall, at the time we signed 26 major agreements between our two countries. Nearly two years have passed, and I think that these were years that were not wasted unnecessarily. During this time, we continued strengthening the sound foundation between our two countries, the foundation of mutual relations between them. During this time, some 60 major inter-governmental and interdepartmental agreements and other agreements and documents were drawn up and concluded."

Mr. Rogachev said that according to his estimates, some 55 very substantial and high-level Russian delegations had visited China since Yeltsin's visit to Beijing in December 1992. He listed a number of visits by Russian leaders to China. For example, visits by Chernomyrdin, chairman of the Russian Government, and Rybkin, chairman of the State Duma. He continued:

"This list could go on and on and on. I want to say that undoubtedly our relations during the elapsed time have gradually been imbued with more content and extended to increasingly new spheres. The range of our current relations is broader and more diverse than at any time in the history of relations between our countries, and this includes relations between the former Soviet Union and China."

The Russian ambassador particularly noted the importance of the political dialogue between the two countries. Here is what he said into our microphone:

"I want to particularly note, of course, that a political dialogue has formed between us and it is developing successfully. This is very important at high levels, at the summit level. Besides the fact that the presidents have begun exchanging visits, they have also initiated exchanges at (?a high level) at which important topical problems are discussed. The ministers of foreign affairs

are meeting several times a year, not just in Beijing and Moscow, our capitals, but at international forums as well."

As far as bilateral trade and economic relations are concerned, Ambassador Igor Rogachev said that despite a certain drop in this area this year both sides have already begun and will continue to search for modern forms of cooperation so that this setback will not be a long-term thing. He noted:

"We must change over to hard currency in settling our trade accounts. We must use other forms in our trade and economic cooperation such as production cooperation and mutual investments of entrepreneurial capital. The creation of free trade zones along our common state border is possible. I think that Russian entrepreneurs and Russian industry are very interested in participating in the construction of large power engineering projects in the PRC. Such spheres for cooperation as, say, the peaceful development of space, aviation, biotechnology, transport, telecommunications, and so forth have great prospects."

In addition to this, Ambassador Igor Rogachev considers that ties between Russian and China in the scientific and technical spheres are very good. Further, Igor Rogachev dwelt on problems existing in the course of the development of bilateral relations. He feels that not everything here is good and that there are still some problems. And this is natural, Ambassador Rogachev emphasized, because our countries are enormous. The area of mutual relations is extremely complicated and multifaceted. He opposes the politicization of problems and favors settling them on the basis of laws and legality. In his view this offers prospects for settling all existing issues.

In response to our correspondent's questions: What influence will PRC President Jiang Zemin's coming visit to Russia have on Chinese-Russian relations, the ambassador replied:

"It is hard to overestimate the significance of President Jiang Zemin's visit to the Russian Federation. Everybody favors the further development of good neighborliness, friendship, and cooperation between us. I have already said that this visit is very timely. I think it will lay the beginning of a new stage in the development of relations between Russia and China and for a qualitatively new level of these relations. We are now talking about a constructive partnership between China and Russia, a partnership which is being projected into the 21st Century. It is our task to prevent any decline in our relations."

Ambassador Igor Rogachev said that during President Jiang Zemin's visit to Moscow it is planned for both sides to sign two important documents. They are a joint Russian-Chinese declaration and apparently another document on the mutual nontargeting of strategic nuclear missiles will also be signed. The ambassador

feels that this will be another affirmation of the qualitatively new Russian-Chinese relations. Other documents have been prepared for signing during the PRC president's visit to Moscow, particularly an agreement on the western part of the Russian-Chinese state border. During the Chinese delegation's visit to Moscow, selective meetings will also be held with corresponding Russian leaders.

Dear Russian listeners, we are sure that the coming official visit of Jiang Zemin, president of the PRC, to Russia will undoubtedly elevate the relations between China and Russia to a new stage of development and will promote the strengthening of friendship between the two peoples.

XINHUA Reviews Major Events

OW0209190094 Beijing XINHUA Domestic Service in Chinese 0243 GMT 1 Sep 94

["Reference Material: Major Events in Sino-Russian Relations in Recent Years"—XINHUA headline]

[Text] Beijing, 1 Sep (XINHUA)—At the invitation of Russian President Yeltsin, PRC President Jiang Zemin will pay a formal visit to Russia from 2 to 6 September. This will be the first visit to independent Russia by the head of state of China, as well as the second summit meeting between Chinese and Russian leaders.

Since the Soviet Union disintegrated on 21 December 1991, positive progress has been made in the neighborly, friendly, mutually-beneficial, and cooperative relations in all fields between China and Russia:

On 31 January 1992, while attending a summit meeting of the UN Security Council, Premier Li Peng met with President Yeltsin, during which the two leaders stressed that China and Russia would step up cooperation and exchange in the future.

On 5 March, the Sino-Russian governmental agreement on economic and trade relations was signed in Beijing.

On 15 March, Russian Foreign Minister Kozyrev visited China for the first time.

From 21 March to 16 April, China and Russia and concerned Central Asian nations held talks in Beijing on reducing each country's military strengths in the border areas, and on taking measures to bolster mutual trust in the military field.

From 16 April to 2 May, a Sino-Russian experts meeting on surveying the eastern section of the Sino-Russian border was held in Beijing.

On 3 May, Russian Deputy Prime Minister Shokhin arrived in Beijing for a visit.

From 17 to 22 August, Chinese Vice Premier Tian Jiyun visited Russia.

From 18 to 19 August, the First Meeting of the Sino-Russian Inter-Governmental Economic, Trade, and Science and Technology Committee was held in Moscow.

From 24 to 31 August, Chinese Defense Minister Qin Jiwei visited Russia.

On 25 August, a delegation of China's National People's Congress arrived in Russia for a visit.

From 21 to 23 November, Russian Deputy Prime Minister Shokhin visited China.

From 24 to 26 November, China's State Councilor and Foreign Minister Qian Qichen visited Russia for the first time.

From 17 to 19 December, President Yeltsin paid a formal visit to China for the first time, during which the two countries signed a joint statement on the foundation of Sino-Russian relations and 24 agreements and documents on Sino-Russian cooperation in various fields. Yeltsin said: "Developing Russian-Chinese relations has priority in Russia's foreign relations."

From 12 to 19 January 1993, a delegation of the Russian Supreme Soviet visited China.

From 23 June to 5 July, a Chinese Government delegation led by Liu Huaqing, vice chairman of China's Central Military Commission, visited Russia.

In mid-July, a party led by Shakhrai, Russian deputy prime minister and chairman of the State Committee for Nationalities Policy, visited China.

From 9 to 17 August, a party headed by General Zhang Wannian, chief of General Staff of the Chinese People's Liberation Army, visited Russia.

From 8 to 11 November, Russian Defense Minister Grachev visited China, and an agreement on cooperation between the two countries' defense ministries was signed during his visit.

From 27 to 29 January 1994, Russian Foreign Minister Kozyrev visited China. During his visit, a Sino-Russian border ports agreement and a protocol on consultations between the two countries' foreign ministries were signed.

In mid-April, a delegation led by (Koreznikov), chief of General Staff of the Russian Armed Forces, visited China.

From 14 to 18 May, a delegation headed by (Rebujin), chairman of the lower house of the Russian parliament—the State Duma—visited China. During a meeting with the delegation, President Jiang Zemin said: China is willing to join Russia in raising Sino-Russian relations to a new level. Developing long-term, stable, neighborly, and friendly relations between China and Russia is a common desire of the people of the two countries, as well as where the two peoples' fundamental interests lie. It

will also contribute to maintaining peace and stability in the Asia-Pacific Region and the world.

From 26 to 29 May, Russian Prime Minister Chernomyrdin visited China, during which the two countries signed seven important agreements, including the "Agreement on the Sino-Russian Border Management System". During a meeting with Chernomyrdin, President Jiang Zemin stressed that Sino-Russian relations should be viewed and handled setting sights on the 21st century and from a strategic perspective.

From 27 to 29 June, Chinese Vice Premier and Foreign Minister Qian Qichen visited Russia, during which the two sides signed a protocol on cooperation between the two countries' foreign ministries in the journalistic field, and initiated an agreement on the western section of the Sino-Russian border.

From 11 to 16 July, Chinese Defense Minister Chi Haotian visited Russia, during which the two sides signed a Sino-Russian inter-governmental agreement on preventing dangerous military activities.

Jiang Zemin Attends Concert

OW0409143194 Beijing XINHUA Domestic Service in Chinese 2258 GMT 2 Sep 94

[Text] Moscow, 2 Sep (XINHUA)—On the evening of 2 September, PRC President Jiang Zemin and wife Wang Yeping attended a special music concert staged for the Chinese guests at the Kuskovo Manor in suburban Moscow.

Jiang Zemin and other Chinese guests were warmly welcomed by "Viva" Chamber Music Ensemble artists who performed at the concert. Attending the concert were Qian Qichen, Chinese vice premier and foreign minister; Russian Culture Minister Yevgeniy Sidorov; and other high-ranking Russian officials.

The Russian artists rendered the famous works of Tchaikovsky, Beethoven, and Glinka during the concert, which reached a climax several times.

At the end of the hour-long concert, President Jiang went on stage to shake hands with the artists and expressed his admiration for their brilliant performances.

Jiang Visits Flight Control Center

OW0509050794 Beijing XINHUA Domestic Service in Chinese 1723 GMT 4 Sep 94

[Text] Moscow, 4 Sep (XINHUA)—Visiting PRC President Jiang Zemin toured the Russian Space Flight Control Center at "Star City" in the Moscow suburbs this afternoon.

The space flight control center, an important astronomical base of Russia, controls the flights of manned spacecraft, automated space stations, and manmade satellites for civilian use and scientific research.

When Jiang Zemin and his party arrived at the control center at 3:30 PM, they were met by Koputchev [name as transliterated], director of the Astronautics Bureau of Russia, and others.

Jiang Zemin was briefed by Koputchev and had an interesting conversation with three astronauts on the orbital station "Mir."

Jiang Calls On Embassy Staff

OW0509060794 Beijing XINHUA Domestic Service in Chinese 1731 GMT 4 Sep 94

[Text] Moscow, 4 Sep (XINHUA)—Visiting PRC President Jiang Zemin went to the Chinese Embassy in Moscow this evening. He cordially met with Chinese Embassy staff and representatives of Chinese organizations and Chinese students in Moscow.

Jiang Zemin spoke to them in a relaxed, cheerful atmosphere. He encouraged them to work even better, do a good job in building spiritual civilization, and take good care of themselves.

Jiang Zemin said: A nation will be hopeless if it stresses money only. Any nation should have a high spirit, and man should also have some spirit.

His 30-minute speech won warm applause.

Jiang Zemin happily joined those present in having a group photo taken to mark the occasion.

Jiang Visits Tolstoy Museum

OW0509181094 Beijing XINHUA Domestic Service in Chinese 1658 GMT 4 Sep 94

[Newsletter by XINHUA reporter Zhang Tiegang (1728 6993 6921): "President Jiang Zemin Visits Tolstoy's Old Residence"]

[Text] Moscow, 4 Sep (XINHUA)—It was a rainy day in Moscow on 4 September.

At 1000, PRC President Jiang Zemin and his party arrived at the Lev Tolstoy Museum in downtown Moscow. Curator Shytaylenko [name as transliterated] and museum staff were already waiting for the distinguished Chinese guests at the entrance of the cleanly swept museum.

Lev Tolstoy, known as a "mirror of the Russian revolution," wielded a great influence on world literature with his excellent works. He had two long-term residences during his life. One was his birthplace of Yasnaya Polyana, and the other was this two-storied wooden building in Moscow. In 1882, Tolstoy, then 54, moved his family from the countryside to Moscow for the sake of his children's schooling. He lived on this 1-hectare estate for 19 years and passed away in 1910. The estate became a museum in 1921. Since then, it has remained

unchanged, with some of Tolstoy's artifacts on display. The museum receives more than 50,000 visitors annually.

Shytaylenko told President Jiang Zemin: Tolstoy lived a quiet life in this busy area. It was "the most significant and yet a more complicated time for him." Here, his world outlook underwent a great change. He began to dress as a farmer, did manual work such as chopping wood and fetching water, stopped smoking and drinking, and turned to vegetarian food. He wrote the novel "Resurrection" and many religious and philosophical works here.

Jiang Zemin asked in fluent Russian: "Were 'War and Peace' and 'Anna Karenina' also written here?"

Shytaylenko replied: "No, they were written in Yasnaya Polyana."

When Shytaylenko spoke about Tolstoy having a good command of 13 languages, Jiang Zemin interposed and said in Russian: "He was particularly good in French."

Then, Shytaylenko said: "Tolstoy did learn some Han language, but so far we haven't found any written record of it." He added: Zi and those doctrines had a great influence on his thinking."

Jiang Zemin viewed 16 rooms one by one. He listened to Shytaylenko's accounts in the living room and the study. According to Shytaylenko, Tolstoy had many friends, including both high-ranking officials and ordinary people, and of course many of his friends were well-known writers, artists, and musicians such as writers Tchekhov and Gorky, painter Rebin, and composer Rubinstein. The desk in the study is unique, with a fine railing around its top. President Jiang took off his glasses and bent over to read a page of the manuscript.

The curator told President Jiang Zemin two anecdotes about Tolstoy. One is that Tolstoy made with his own hands a pair of boots for his eldest son-in-law Suhuojin [name as transliterated]. Suhuojin humorously put the boots beside 12 volumes of Tolstoy's works on a bookshelf and marked it as "Volume 13." Seeing the display, Tolstoy jokingly said: "This is perhaps my best volume." The other anecdote is that Tolstoy was a chess lover, but at the same time he said, "chess is not a good game" because the players always want to "hurt" each other. President Jiang Zemin smiled an understanding smile.

The visit lasted more than an hour. From beginning to end, Jiang Zemin concentrated his attention on viewing the displayed artifacts and listening to briefings. Maria [name as transliterated], a museum worker 50 years of age or older, said with emotion to reporters: "Your president is so interested in our Russian writers!" Curator Shytaylenko was also moved and said: "President Jiang Zemin made a special trip to visit here, and is so serious about the visit. He has left a very good impression on us." He said: "It is very unusual that he,

as the leader of a country, is not only concerned about politics, but interested in literature."

Towards the end of the visit, a Russian reporter asked Jiang Zemin: "What have you read among Tolstoy's works?"

"Many of them, such as 'War and Peace,' 'Anna Karenina,' 'Resurrection'... [ellipses as received]"

In the drizzle, Jiang Zemin, standing by his car, bade farewell to the museum staff and repeatedly thanked them.

Jiang Leaves Moscow for Yekaterinburg

OW0509125094 Beijing XINHUA Domestic Service in Chinese 0853 GMT 5 Sep 94

[By report Zhang Tiegang (1728 6993 6921)]

[Text] Moscow, 5 Sep (XINHUA)—PRC President Jiang Zemin left Moscow by plane at 0930 today for Yekaterinburg to continue his official visit to Russia.

A grand ceremony to send him off was held at the airport, where a military band played the national anthems of the two countries. Amid the majestic tunes of music, President Jiang Zemin, accompanied by Russian Prime Minister Chernomyrdin, reviewed a guard of honor of the three services. After the review, he shook hands with and bid goodbye to Chernomyrdin and other Russian leaders. Jiang Zemin said to Chernomyrdin: "It was still raining yesterday, and today it is a fine day already. This symbolizes our friendship. I hope you visit China again to see more places." The Russian Prime Minister said: "I wish you a safe trip. We will meet soon."

Jiang Zemin arrived in Moscow on the afternoon of 2 September to begin his visit. In Moscow, he held talks with President Yeltsin and signed a number of documents, which include the "Sino-Russian Joint Declaration" on building constructive partnership relationship geared to the 21st century and the joint statement on not aiming strategic nuclear weapons at each other.

Jiang Zemin met separately with Russian Prime Minister Chernomyrdin; Shumeyko, chairman of the Federation Council of the Russian Parliament; and Rybkin, chairman of the State Duma, and made an important speech at the Russian Institute of International Relations. In Moscow he also visited the former residence of Lev Tolstoy and Russia's Space Control Center.

In Yekaterinburg, Jiang Zemin will meet with oblast and city leaders and visit industrial enterprises and scientific research centers.

Jiang Arrives in Yekaterinburg

OW0609025394 Beijing XINHUA Domestic Service in Chinese 1137 GMT 5 Sep 94

[By reporter Huang Huizhu (7806 1979 3796)]

[Text] Moscow, 5 Sep (XINHUA)—On the afternoon of 5 September, President Jiang Zemin of the PRC and his wife Wang Zhiping arrived in Yekaterinburg, capital city of Sverdlovsk, from Moscow by special plane.

On this day, a cool autumn breeze made people feel comfortable in Yekaterinburg, a famous mountain city in central Russia. Chinese and Russian national flags were fluttering in the wind and an atmosphere of friendly welcome pervaded the (Kolzowo) Airport.

At 1420, the special plane landed slowly. Seeing Jiang Zemin and his wife walk out of the plane, Governor of Sverdlovsk Aleksey Strakhov and Mayor of Yekaterinburg A.M. Chernetsky and their wives, who waited at the airport, went forward immediately and greeted Jiang Zemin and his party. They shook hands, exchanged greetings, and had their pictures taken. Governor Strakhov's wife presented flowers to Jiang Zemin's wife.

Qian Qichen, vice premier of the State Council and foreign minister, and other people who accompanied Jiang Zemin in visiting Russia arrived in Yekaterinburg by the same plane.

Yekaterinburg is Russia's important industrial base and the Ural region's hub of communications. In his two-day visit, President Jiang Zemin will meet Sverdlovsk leaders and visit some factories and enterprises.

Jiang Meets Yekaterinburg Governor

OW0509181294 Beijing XINHUA in English 1750 GMT 5 Sep 94

[Text] Yekaterinburg, September 5 (XINHUA)—Visiting Chinese President Jiang Zemin met with Governor of Sverdlovsk Aleksey Strakhov and mayor of Yekaterinburg A.M. Chernetsky here today.

During the meeting, Jiang, who arrived in the Ural city of Russia from Moscow this afternoon, described the region as Russia's industrial hub and its capital Yekaterinburg as an "important" industrial city.

Rapid growth has been recorded in recent years in trade and economic cooperation between China and the region as well as its capital, Jiang said. Dozens of Sino-Russian joint ventures have been set up here in recent years.

Sverdlovsk boasts a good industrial infrastructure, he said, adding that there exists great potential for trade and economic cooperation between China and the region.

The Chinese president expressed the hope that these mutually beneficial cooperation will be further enhanced through common efforts.

Governor Strakhov hailed Jiang's visit as "a major event" in relations between his region and China.

The governor noted that one third of Sverdlovsk's exports go to China, which is the largest trade partner of

the region. He expressed the hope that the trade and economic cooperation will be enhanced with each passing day.

After the meeting, Strakhov hosted a banquet in Jiang's honor.

In his speech at the banquet, Jiang said that he was very pleased to visit Ural region and its capital.

He expressed the conviction that the two peoples will maintain their long-term friendship.

There are bright prospects for Sino-Russian friendly relations and mutually beneficial cooperation, he stressed.

Jiang Speaks at Welcoming Banquet

OW0609030094 Beijing XINHUA Domestic Service in Chinese 1651 GMT 5 Sep 94

[By reporters Li Hongqi (2621 4767 2475) and Huang Huizhu (7806 1979 3796)]

[Text] Yekaterinburg, September 5 (XINHUA)—Aleksey Strakhov, governor of Sverdlovsk, Russia, hosted a banquet here to welcome President Jiang Zemin of the PRC this evening.

The banquet hall was brightly lighted and permeated with the fragrant smell of flowers. Governor Strakhov gave a welcoming speech at the banquet. He said: The peoples of China and the Ural region share traditional cooperative relations and common experiences in peaceful construction and economic development. In recent years, new energy has been injected into Sverdlovsk's cooperation with China, and China has become Sverdlovsk's largest trade partner. He hoped that the cooperative relations between both sides would be further enhanced.

In his speech of appreciation, Jiang Zemin said he was glad to visit Sverdlovsk and Yekaterinburg and he expressed gratitude for the host's warm hospitality and welcome.

He spoke highly of the traditional friendly and cooperative relations between Sverdlovsk and China and hoped that Sverdlovsk would continue to strengthen mutually beneficial cooperation with the provinces and regions in China.

Jiang Zemin said that he held friendly and fruitful talks with Russian President Yeltsin and other leaders in Moscow and signed a series of important documents which will lay a more solid foundation for the long-term and stable development of bilateral relations.

He said: China is resolved to look ahead to the 21st century and to make the best of and bring into full play the huge potential of cooperation between China and Russia to the largest extent. We will raise the neighborly, friendly, and mutually beneficial cooperative relations with Russia to a higher level.

Jiang Zemin said: We will end our visit in your country tomorrow. I would like to thank President Yeltsin, the Russian Government, and the Russian people again for your earnest, friendly, and warm hospitality. This visit makes me personally feel again the friendly affection of the Russian people and friends toward China and the Chinese people.

He expressed the conviction that "the peoples of China and Russia will maintain their long-term friendship, and there are bright prospects for Sino-Russian neighborly and friendly relations and mutually beneficial cooperation."

Qian Qichen, vice premier of the State Council and foreign minister, special assistant Zeng Qinghong, Chen Jinhua, minister in charge of the State Planning Commission, and others attended the banquet.

Jiang Meets Sverdlovsk Governor

OW0609003894 Beijing XINHUA Domestic Service in Chinese 1619 GMT 5 Sep 94

[By reporters Li Hongqi (2621 4767 2475) and Huang Huizhu (7806 1979 3796)]

[Text] Yekaterinburg, 5 Sep (XINHUA)—PRC President Jiang Zemin met with Governor of Sverdlovsk Strakhov and Mayor of Yekaterinburg Chernetsky here today.

Jiang Zemin said: Sverdlovsk, vast in area, is Russia's industrial hub. Yekaterinburg is an important industrial city in the Ural region. Rapid growth has been recorded in recent years in trade and economic cooperation between China and Sverdlovsk as well Yekaterinburg. Dozens of Sino-Russian joint ventures have been set up here.

Jiang Zemin emphasized: "Sverdlovsk boasts good industrial infrastructure, and there exists great potential for trade and economic cooperation between China and the region." He hopes that Sverdlovsk and Yekaterinburg and China's relevant regions will increase exchanges, make concerted efforts, overcome negative factors, and promote positive factors to further enhance mutually beneficial economic cooperation and trade.

Governor Strakhov welcomed Jiang Zemin and his party on behalf of the people of Sverdlovsk. He said: The Chinese president's visit is an honor of Sverdlovsk, as well as a major event in its relations with China. China is Sverdlovsk's largest trading partner, and one third of Sverdlovsk's exports go to China. He expressed the hope the bilateral trade and economic cooperation will be enhanced constantly.

Vice Premier and Foreign Minister Qian Qichen and other members of the president's entourage were present at the meeting.

Jiang Visits Ural Optical Plant

OW0609024694 Beijing XINHUA Domestic Service in Chinese 1417 GMT 5 Sep 94

[By reporter Xie Rong (6200 2837)]

[Text] Yekaterinburg, 5 Sep (XINHUA)—President Jiang Zemin of the PRC, who has just arrived in Yekaterinburg, visited the Ural Optical Instrument Plant this afternoon.

(Yalamov), director of the Ural Optical Instrument Plant, cordially welcomed Jiang Zemin and his party at the front gate of the plant. (Yalamov) gave Jiang Zemin a detailed briefing on the plant's production.

Jiang Hails Ties With Optical Plant

OW0609115594 Beijing XINHUA Domestic Service in Chinese 0421 GMT 6 Sep 94

[Newsletter by XINHUA reporter Xie Rong (6200 2837): "Cooperation With an Optical Instrument Plant"]

[Text] Yekaterinburg, 5 Sep (XINHUA)—On the afternoon of 5 September, Chinese President Jiang Zemin visited the Ural Optical Instrument Plant in Yekaterinburg City. The plant is Russia's key enterprise for researching, developing, and producing optical and photoelectronic instruments.

At 1700 [local time], when President Jiang's motorcade arrived at the plant, plant director (Yalamov) [ya la mo fu 0068 2139 5459 1133] went forward to extend a warm welcome. President Jiang said: "Your plant has been an important Russian enterprise that has enjoyed widespread renown for a long time. I am very happy to visit your plant."

Accompanied by the plant director, Jiang Zemin first looked at civilian products displayed in the workshop's exhibition hall. Various products were displayed there; among them, geodetic surveying instruments that have been exported to various countries in the world. The plant director gave a detailed introduction to the distinguished Chinese guests on the plant's production and on its cooperation with China.

The precision of its geodetic surveying instruments is high and Chinese consumers favor them. Over the past two years, China has imported more than 3,000 geodetic surveying instruments from the plant.

(Yalamov) expressed to Jiang Zemin his hope that cooperation between the plant and China might develop further. He said: Besides importing quality civilian commodities from China, the plant is ready to jointly operate factories with China to produce civilian commodities. At present, it has signed an agreement with Beijing's Bailong Mineral Spring Bottle Plant to open a joint-venture factory and hopes that responsible figures from China's relevant departments in your entourage will

facilitate the joint-venture factory's operation at an early date. Pointing at Chen Jinhua, minister of the State Planning Commission, Jiang Zemin said: He can help in resolving issues on your plant's joint-venture factory with China. Chen Jinhua understood and smiled.

While he looked at the display of products, Jiang Zemin was very interested in hearing (Yalamov's) comments, and inquired in detail about the advanced levels and functions of various instruments and products. President Jiang expressed his profound understanding of the plant's current problems during the course of its economic transformation. He told the plant director that he fully understood a plant director's difficulties because he, too, had held that position once.

Afterward, Jiang Zemin watched technological processes at the production workshop. Stopping in front of a young female worker, he asked her if the work affected her eyesight. She replied that basically it was not harmful because she was allowed to rest every two hours. President Jiang said: He had previously been a minister of the electronics industry for three years. The ministry's electronic instrument enterprises regularly submitted reports revealing that workers' eyesight was adversely affected. Director (Yalamov) interrupted: The plant has paid very close attention to the issue and has formulated many health-care measures.

The visit, lasting nearly one hour, was nearly over by now. Expressing his impressions of the plant, Jiang Zemin pointed out: The technological ability and productive capacity of the Ural Optical Instrument Plant have deeply impressed me. There are bright prospects for China and the plant to cooperate in producing civilian products. He believed cooperation between the plant and China would develop further.

Russian Officials Hail Jiang's Visit

OW0709062694 Beijing XINHUA in English 0612 GMT 7 Sep 94

[Text] Moscow, September 6 (XINHUA)—Russian Government officials have said that the visit made by Chinese President Jiang Zemin to Russia from September 2 to 6 has raised Russian-Chinese relations to a new level.

Speaking on Russian television on Monday, Russian Foreign Minister Andrey Kozyrev was enthusiastic about the outcome of President Jiang's visit, saying that it had given a significant impetus to the establishment of a constructive partnership between the two countries with a view to the 21st century.

Yevgeniy Afanasyev, first deputy director of the first Asian department at the Russian Foreign Ministry, said at a press conference here today that the visit was a major event in the history of relations between Russia and China.

The joint declaration on the end to targeting each other with strategic nuclear missiles reflected the high level of mutual trust between the two neighbors, and it was a significant contribution to global stability, Afanasyev said.

Referring to the agreement on the western sector of the Russian-Chinese border, the first deputy director noted that this was the first time that almost the whole border between the two countries had been marked out on the legal basis.

The signing of the agreement also created a realistic basis for the two sides to settle their border issues and turn their common border into one of peace, tranquility and mutual development, he added.

Calls Visit 'Major Event'

OW0709064194 Beijing XINHUA Domestic Service in Chinese 0417 GMT 7 Sep 94

[By reporter Wan Chengcai (8001 2052 2088)]

[Text] Moscow, 6 Sep (XINHUA)—Afanasyev, first deputy chief of Russian Foreign Affairs Ministry's First Department on Asian Affairs, pointed out: PRC President Jiang Zemin's visit to Russia from 2 to 6 September was a major event in Russo-Chinese relations. The two sides felt that Russo-Chinese relations have reached a level of constructive partnership. These relations are neither an alliance, nor are they directed against third countries.

Afanasyev made the statement at a news conference held at the Russian Foreign Affairs Ministry's news center on achievements of President Jiang Zemin's visit to Russia.

Afanasyev stressed: The joint statement on Russia and China not aiming strategic nuclear missiles at each other manifested the high degree of trust between the two countries, and is a major contribution to maintaining international stability.

Speaking on the agreement signed on the western sector of the border, Afanasyev said: The agreement has created preconditions for ending Russo-Chinese border issue as well as for making Russo-Chinese borders regions of peace, stability, and development.

Afanasyev pointed out: During the talks, the two sides reiterated the need to further develop bilateral relations and to maintain high-level contacts. President Jiang Zemin's invitation to President Yeltsin to visit China next year has been accepted. The Russian side reiterated its invitation to visit Russia to Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress, and to Premier Li Peng. Further, Shumeiko, chairman of the Russian Federation Committee, will visit China next year.

Russia Calls Jiang Visit 'Success'

OW0709014494 Beijing XINHUA Domestic Service in Chinese 1611 GMT 6 Sep 94

[By reporter Wan Chengcai (8001 2052 2088)]

[Text] Moscow, 6 Sep (XINHUA)—On the afternoon of 6 September, Russian Presidential Press Office issued a formal announcement calling PRC President Jiang Zemin's visit to Russia a "success."

The announcement says: President Jiang Zemin and President Yeltsin signed the Russo-Chinese Joint Communiqué and a joint communiqué pledging a no-first nuclear strike, and agreements on cooperation in various fields. Both sides affirmed the achievements made in ongoing talks on border issues and announced that they would strictly abide by the Russo-Chinese Border Agreement signed before current border talks, solve border problems on a rational and fair basis, and conclude border surveys by the prescribed deadline.

The announcement says: Both sides pointed out progress made in talks on the mutual reduction of armed forces and on military confidence-building measures in the border-line areas. They voiced their striving to minimize their armed forces stationed in border areas and said such a move would conform to the long-term and good-neighborly relations between the two countries.

The announcement stresses: Russia and China have great potential in economic, trade, and technological cooperation. Both sides held that they must make continuous efforts to raise their level of cooperation to that of international standards. They should shift their focus to cooperation in the fields of energy, machinery manufacturing, consumer products, joint ventures, research cooperation, applications of new industrial technology, and high technology.

The announcement says: Russian and Chinese presidents vowed that Russia and China will actively participate in the establishment of the new world political and economic orders. Both sides are determined to make contributions to world peace, equality, and stability in the 21st century.

In conclusion, the announcement issued by the Russian Presidential Press Office stresses that both Russia and China are "totally satisfied" with the results achieved in President Jiang Zemin's visit to Russia, reiterating that the two countries will continue to conduct fruitful and constructive talks at the highest levels.

Commentary Hails New Sino-Russian Relations

HK0609041494 Hong Kong TA KUNG PAO in Chinese 4 Sep 94 p 2

["Weekly Commentary" by Kung Yiu-Man (7895 5069 2429): "Sino-Russian Relations Develop Steadily"]

[Text] No Confrontation, No Alliance, and "Three Good's"

Chinese President Jiang Zemin arrived in Russia two days ago for a visit, and was accorded a red-carpet welcome by President Boris Yeltsin and various local social sectors. Jiang pointed out in Moscow that his visit

was designed primarily "to discuss with Russian leaders ways to further develop the bilateral good-neighborly and friendly relationship from the high plane of strategic approach for the 21st century." This shows that Jiang's current trip is of great importance. For a long period in the past, the two countries, which share the world's longest border, got into many border disputes, which even led to a war in the 1960's. Now they are seeking to establish good-neighborly and friendly relations in the run-up to the 21st century and beyond. This represents a basic change in their relations.

As expected, following the Sino-Russian summit in Moscow yesterday, the two sides signed a joint declaration, in which they agreed they would not target strategic nuclear missiles at each other, and reiterated that they would not resort to arms. In particular, they promised they would not be the first to use nuclear weapons against each other. In his speech, Jiang also proposed establishing new Sino-Russian relationship, which, he said, should be based on the five principles of peaceful coexistence, adding that the two countries should establish good-neighborly and friendly relations; cooperate to mutual benefit; work for common prosperity; and become good neighbors, good partners, and good friends; instead of confronting each other or entering into alliances.

It should be pointed out the good results achieved by the Sino-Russian summit are of benefit to the 1.5 billion Chinese and Russian people, and hopefully will contribute to peace and stability in Asia.

It is an irresistible global trend that the two countries should establish a good-neighborly and friendly relationship; cooperate to mutual benefit; work for common prosperity; and become good neighbors, good partners, and good friends; instead of confronting each other or entering into alliances. It is also what their experience over the last several decades—which saw twists, turns, and difficulties in their relationship—has taught them to do.

Russia Learned Something From Practice

For a period, Russia joined the Western developed countries and relied upon their enormous assistance to overcome economic difficulties. A series of facts showed, however, that the West made a promise and did not keep it. In the 1992-93 period, the seven developed Western countries promised to provide \$67 billion in aid, but they supplied less than one third of this amount. The West has never changed its trade protectionism against Russia. Again, in helping Russia to formulate an economic reform program, U.S. experts insisted on applying "shock therapy" to the obstinate Russian economic illnesses, but the result ran counter to their desire. The Russian economy, which was too weak for the therapy, got into great difficulty and deteriorated rapidly. The Russian people suffered from runaway inflation, and the GNP dropped continuously. At this time, the West refrained all the more from investing in Russia and from making loans, thus arousing resentment among various sectors in Russia.

As Russia got into greater and greater economic difficulty, and was more and more eager for assistance from Western countries, the latter was more miserly and asked Russia to yield to them in dealings on every international issue. This evoked great dissatisfaction within the Russian opposition faction, which insisted that "Westernization" does not comply with Russia's actual conditions. On the other hand, Russia gained enlightenment from China's reform and opening up, and its border and barter trade with China helped a great deal in supplying light industrial goods that were greatly needed in Russia. The Russian people took a great interest in China's reform and opening up in line with its own actual conditions, and they appealed for developing friendly relations with China.

Russia Attached Importance to the Asia-Pacific Region in Formulating Its Policy Toward the East

After being restricted and suppressed by the West, Russia formulated its new policy toward the East. From late 1992 to early 1993, Yeltsin visited the ROK, China, and India. The starting points of Russia's "new policy toward the East" are: First, taking the initiative in strengthening relations with Asia so as to balance Western diplomacy toward Asia in a bid to show Russia's "Eurasian position"; second, attaching importance to the strength of newly rising industrial countries and areas in the Asia-Pacific region to tap rich natural resources in Siberia; to achieve this, Russia vigorously increased contacts with Asian countries and increased Russian influence in various fields in Asia.

Guided by the new East policy, Russia stressed the need first to establish good-neighborly and friendly relations with China, and "gave priority" to its relations with China in implementing its new foreign policy. It strengthened its cooperation with China in the political, economic, and military fields, and kept its relations with China immune to ideology. The Russian parliament fully supported this policy of attaching importance to relations with China, and pointed out: The mutually beneficial Russian-Chinese economic relations and trade are an important factor for Russia's economic reform and its involvement in the integration process in the Asia-Pacific region. It is safe to say that a solid consensus on the need to establish good-neighborly and friendly Sino-Russian relations has been reached.

Reform and Opening Up Have Raised China's Standing

Under this policy, President Yeltsin visited China in late 1993, and signed a joint declaration stressing the need to establish friendly bilateral relations, as well as 24 agreements on cooperation in the economic, trade, scientific-technological, and cultural fields. In 1993, total Sino-Russian trade volume was about \$8 billion. In the same year, more than 30 government delegations, as well as delegations comprising senior experts, visited China. This year has been appointed by Russia as the "year of China." Russian Foreign Minister Andrey Kozyrev, the national Duma delegation, Chief of General Staff

Mikhail Kolesnikov, Deputy Prime Minister (?Shaxin) [shao xin 4801 2946], and Prime Minister Viktor Chernomyrdin visited China in turn. The two countries scored positive results in border negotiations, and in economic and military cooperation. Against this background, the visit to Russia by Jiang and his entourage will readily lift Sino-Russian relations to a new height.

Undoubtedly, the importance attached to China by Russia and the Commonwealth of Independent States is closely related to China's rapid economic growth. After experiencing the sharp change brought about by the "shock therapy," and after comparing it with China's achievements in reform and opening up, Russia believed China's reform policy was correct.

When China and Russia establish solid, good-neighborly and friendly relations, provinces and cities in the northeastern and northwestern border areas will be able to engage in large-scale trade with Russia and Eastern Europe. Foreign trade, tourism, and culture certainly will prosper further when the second continental bridge linking Europe and Asia is opened to traffic.

We should be aware, however, that without a certain increase in economic strength and in overall national strength, China's present standing and diplomatic achievements would be out of the question. This has been born out by recent development of Sino-U.S. and Sino-Russian relations.

Wang Guangying Visits Russian Paintings Show

OW0609103894 Beijing XINHUA in English 0844
GMT 6 Sep 94

[Text] Beijing, September 6 (XINHUA)—Beijing today opened a grand exhibition at which Russian paintings are featured.

About 220 oil paintings by 16 leading modern Russian painters are on display.

Most artists attending the 15-day show were born in the early 20th century and their works are said to be representatives of Russian fine arts.

Some painters once visited China in the 1950s and some of their Chinese students are now active on the Chinese art circles.

Wang Guangying, vice-chairman of the Standing Committee of the National People's Congress, visited the show today.

Qiao Shi Meets With Russian State Duma Delegation

OW0109121694 Beijing XINHUA in English 1143
GMT 1 Sep 94

[Text] Beijing, September 1 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the National People's Congress, met here this afternoon with Russian parliamentary delegations headed respectively by Aleksandr Vengerovskiy, vice-chairman of the State Duma, and

Vladimir Sergeyenkov, vice-chairman of the Economic Committee under the Federation Council.

The delegations came to China at the invitation of the Chinese People's Institute of Foreign Affairs. Their purpose is to get to know about China's reforms and economic development, the role of economic laws in the process of building a socialist market economy and the experience of the special economic zones.

Northeast Asia

PRC, DPRK Not To Exchange National Day Delegations

OW0709125194 Tokyo KYODO in English 1228 GMT
7 Sep 94

[Text] Beijing, Sept. 7 KYODO—Chinese Premier Li Peng told a visiting Japanese politician Wednesday [7 September] that North Korea and China will not exchange official delegations on their respective National Days of Sept. 9 and Oct. 1.

Yoshiaki Kibe, chairman of the Executive Council of the Liberal Democratic Party (LDP), said Li told him China has not received any invitations to North Korea's upcoming National Day nor has any North Korean official or other foreign dignitary been invited to the 45th anniversary of the People's Republic of China on Oct. 1.

It has been speculated that Kim Chong-il will officially succeed his late father as president and head of the Workers Party of Korea on North Korea's National Day.

Li said a North Korean diplomatic envoy assured the Chinese Government following the July 7 death of Kim Il-song that there would be "no problem" with political succession, Kibe said, although the premier declined to name the envoy.

The long delay between naming a new leader and an apparent lack of communication between the traditionally close allies, has led many to suspect that the younger Kim is having difficulty consolidating power in the Stalinist state.

Earlier Wednesday, Kibe, who is also a Diet member, met Chinese Vice President Rong Yiren and discussed China's economic development.

Kibe said Rong told him China would try to slow its economic growth to around 9 percent in the second half of the year because "the 12 percent growth in the first half of 1994 was too fast."

In related news, the China Central Broadcasting Station reported Li also met a delegation headed by Seiroku Kajiyama, a senior LDP lawmaker, and said he hopes Japan will maintain its "one China policy" when referring to the possible visit to Japan of Taiwan's President Li Teng-hui.

Li has been invited to the Oct. 2-16 Hiroshima Asian Games by the Olympic Council of Asia. Chinese sports officials have protested the possible visit and threatened to boycott the games if Li is allowed into Japan.

Political & Social**Li Tieying Calls For Reform of Land Management System***OW0209141094 Beijing XINHUA in English 1353
GMT 2 Sep 94*

[Text] Beijing, September 2 (XINHUA)—A senior Chinese official today called for the establishment of a new land management system to effectively protect and rationally use the country's land resources.

Reform is needed now to set up a land management system in line with the requirements of the market economy so that every inch of the state's precious land will be cherished, said Li Tieying, state councillor and concurrently minister of the State Commission for Restructuring the Economy.

During the reform three factors should be taken into account—the small quantity of land in terms of average area per capita, the public ownership of land and the state's current industrialization process—Li told a national conference on reform of the land-use system.

He said that the reform is aimed at clearly defining the authority of governments at all levels as concerns land management, in order to help protect cultivated land and develop the economy.

The land resources are owned by the state and must be under unified management by the state, Li said.

Land-use right can be traded as a commodity in the market, but the ownership cannot be traded, he stressed.

To conduct effective management of land, the government should work out plans on the use of land which will be legally binding, Li said.

Plots of land appropriated by the government are state assets, and special attention must be paid to protection of such assets, he pointed out.

The state monopoly must be maintained on land leases in terms of supply of plots of land, land prices, purposes of land use and mandatory registration, Li said.

He also said that transfer of land-use rights should be done under strict supervision by the state, and the qualifications of property dealers must be clearly defined.

While the income in land leases belongs to the state, trading on the land market must be open, just and fair, Li said.

He added that collectively owned land cannot be leased or traded unless it is taken over for use by the state.

The property rights of land used by enterprises must be defined and the land assets must be evaluated accurately so that the enterprises will be obliged to improve management and ensure the appreciation of the value of state-owned land, Li said.

The state has stepped up the drafting of the land law and relevant regulations so as to ensure the legitimate management of land resources, he mentioned.

Vice Premier Li Lanqing on Students 'Burden'*HK0609123794 Beijing RENMIN RIBAO in Chinese
27 Aug 94 p 3*

[By Li Lanqing (2621 1526 3237): "Speech Delivered at a Discussion on Reducing Schoolwork Burden of Primary and Secondary School Students and Fully Improving Education Quality"]

[Excerpts] The excessive schoolwork burden on primary and secondary school students, a long-standing problem of public concern, has not yet been resolved. During the early period following the PRC founding, and particularly in the 1960's, Chairman Mao had made stern criticism of the matter. Comrade Xiaoping also made criticism.

In recent years, the party and state have attached great importance to resolving the question of the excessive schoolwork burden on primary and secondary school students. General Secretary Jiang Zemin and Premier Li Peng have personally taken up the matter, gave instructions on numerous occasions, and issued documents calling for earnest measures to be adopted to resolve the matter. The State Education Committee issued the "Directives on Reducing the Excessive Schoolwork Burden on Students During Their Period of Compulsory Education and Comprehensively Improving Education Quality" in 1993. Over the years, all localities have adopted some measures and have regarded reducing the excessive schoolwork burden on students as an important task in implementing the education policy and improving education quality. The education administrative departments at all levels, school leadership, and the broad ranks of teachers have done a great deal of research, exploration, and improvement work, which has reduced somewhat the burden on primary and secondary school students, the primary ones in particular, and improved the quality of education. However, the question of a heavy schoolwork burden on primary and secondary school students is still rather serious in a number of localities. In particular, the amount of homework for primary and secondary school students in urban areas exceeds state regulations. This has become an essential factor conditioning the comprehensive improvement of education quality and the implementation of the education policy of overall development morally, intellectually, and physically.

I. Main Expressions of Excessive Schoolwork Burden on Primary and Secondary School Students

The excessive schoolwork burden on primary and secondary school students is a long-standing problem and a chronic disease in basic education which is extremely dangerous. It is manifest in the following.

First, some primary and secondary schools have failed to strictly carry out the curriculum and teaching plan stipulated by the state. Without the approval of the State Education Committee or the education administrative departments, they increase or decrease the number of periods, give lessons beyond the plan or extend the classes at will, and even give make-up lessons during holidays and on Sundays. To obtain a high proportion of students entering schools at a higher grade, some primary and secondary schools willfully increase the periods for the examination subjects but cut those for nonexamination ones. Some even increase at will the daily and weekly periods, exceeding the state standards. Some primary and secondary schools, particularly at the graduation level, often use the winter vacation to give make-up lessons to students or give lessons in advance.

Second, the gradual increase in the amount of homework for primary and secondary school students, mechanical copying of the texts, and frequent examinations of various descriptions. Homework for some primary and secondary school students is more than 100 percent over the standard set by the state. In the graduation classes of primary and junior secondary schools in particular, the students have to use two and one-half to three hours daily to finish their homework. Because of the large amount of homework, which is impossible for the teachers to correct, the parents are required to correct it, which aggravates the parents' burden. There are also unit, grade, stage, general, and competitive examinations of every description.

Third, the serious phenomenon of indiscriminately compiling, printing, and subscribing to all sorts of primary and secondary school review materials and supplementary exercises has aggravated the schoolwork burden of the students and the economic burden of the parents. Viewed from the compiling system, some units and individuals, for the sake of making profits, compile large amounts of review materials and supplementary exercises without the authorization and approval of the State Education Commission or the provincial level education administrative departments. Viewed from the publication system, a number of publication houses ignore the state's relevant provisions and publish all sorts of primary and secondary school periodicals and materials openly or in a disguised form. Viewed from distribution, some Xinhua Bookstores take the opportunity to sell primary and secondary school textbooks to force students to buy all kinds of review materials and supplementary exercises.

An analysis of the aforementioned phenomena indicates that the excessive schoolwork burden on primary and secondary school students, which mainly affects the students, is bound to make the schoolbags heavier and will result in failing eyesight. The schoolwork burden on primary and secondary school students has exceeded their capacity to bear and will directly affect their mentality and normal growth.

II. The Reasons for the Excessive Schoolwork Burden For Primary and Secondary School Students

There are many reasons for the excessive schoolwork burden on primary and secondary school students and this is a thorough reflection of internal and external education problems. The main reasons include:

First, there are no correct guidelines for running schools and there has been a failure to meet the requirements set by the 14th CPC Congress and the "Outline for China's Education and Development," to comprehensively implement the party's education policy, and to improve education quality. There has been a one-sided pursuit of a high proportion of students entering a higher grade, merely attaching importance to intellectual education, neglecting the students' overall development and the long-term social effects of the schools, guiding students to take the only road to university, remaining at the level of meeting examination needs, and not paying any attention to the overall training of students. This guiding ideology for education cannot meet the needs of building the material and spiritual civilizations and deviates from the socialist orientation for running schools. Naturally, this is closely related to China's irrational macroeducation set-up and negligent of basic and vocational education. The main responsibility for these problems lies on the leading cadres at all levels.

Second, the overall quality of the ranks of teachers still cannot meet the needs of normal development of China's education. For the sake of seeking a high proportion of students entering schools at a higher grade, some primary and secondary school teachers, whose vocational quality is poor, artificially increase the schoolwork burden of students, assign large amounts of homework, adopt the "tactics of a sea of topics," and use frequent examinations to force students to study excessively. [passage omitted]

III. Essential Measures for Alleviating Excessive Homework

Based on implementation of the Document No. 3 (1993) over the past year and the good suggestions made by representatives at this forum, the Education Committee revised and complemented the document. After the examination by the State Council, the document, issued in the name of the General Office of the State Council, has been distributed to all localities for implementation. In this regard, I would like to stress the following points:

First, in light of the requirements of the "Outline for China's Education Reform and Development" and the "Opinions of the State Council on 'Outline for China's Education Reform and Development'" and in connection with the implementation of the spirit of the education congress, it is necessary to earnestly carry out the guideline of "comprehensively implementing the education policy and improving education quality," change and upgrade the education concepts, and put an end to

the one-sided pursuit of a high proportion of students entering schools at a higher grade. [passage omitted]

Second, while seriously organizing implementation of the currently issued curricula for nine-year compulsory education, the Education Committee should further try to improve the curricula and distribution of periods. [passage omitted]

Third, vigorously promote enrollment and examination reform. [passage omitted]

Fourth, assessment of schools and teachers should be carried out in line with the principle of comprehensively implementing the party's education policy, alleviating the schoolwork burden on students, and fully improving education quality. [passage omitted]

Fifth, the key to running education well lies in teachers. [passage omitted]

Sixth, the irrational current macroeducation set-up constitutes another essential reason for the excessive schoolwork burden on primary and secondary school students, which has affected education quality and social benefits. [passage omitted]

Column Sees Rampant 'Left' Tendencies in CPC

HK0209134894 Hong Kong HSIN PAO in Chinese
2 Sep 94 p 25

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429) written on 30 August 1994 in Beijing: "CPC 'Leftists' Carry on Disruptive Activities, Direct the Bulk of Their Criticism at Deng Xiaoping"]

[Text] During his inspection tour of the south in early 1992, Deng Xiaoping solemnly and purposefully pointed out: "China must be alert for right tendencies but must primarily guard against 'left' tendencies." The remark was a strike against the "leftist" forces within the CPC which censured reform and opening up since 1990 as "importing and developing capitalism." However, Deng's instruction was not implemented in earnest. Conversely, the attack from the "leftist ringleaders" and "leftist books and periodicals" has not abated since the middle of 1993.

Since the beginning of this year, the "leftist" forces have run rampant and have directed the bulk of their criticism against Deng Xiaoping and have stirred up another controversy by using articles carried in the magazine ZHENLI DE ZHUIQIU [SEARCH FOR TRUTH], was founded during the disturbance of 4 April 1989, and the book *Viewing China Through a Third Eye*, written by a German scholar, camouflaged by conservative CPC theorists, and published by the Shanxi People's Publishing House in March this year. This shows that the "leftist" forces have moved from the back to the front stage. If this trend is allowed to spread unchecked and is not dealt

with in earnest, it will become a major problem for the CPC and China, particularly after Deng Xiaoping's death.

According to a Beijing source, the CPC has consistently opposed "left" tendencies in history, such as the anti-Wang Ming line in the 1940's. On the whole, however, the CPC has opposed right tendencies more than it has opposed "left" ones. This was the case in the 30 years following the PRC's founding in 1949. After resuming office for the third time, Deng Xiaoping, who "fell and rose three times," corrected "leftist" mistakes on three occasions.

First, at the Third Plenary Session of the 11th CPC Central Committee held in December 1978, the line of "taking economic construction as the key link" proposed by Deng Xiaoping replaced the "leftist" line which "took class struggle as the key link" and enabled China to embark on the road of "one center, two basic points" and building socialism with Chinese characteristics.

Second, in his talks with foreign guests from April to June 1978, Deng Xiaoping pointed out on numerous occasions that there is interference from both the "left" and the right, and mainly from the "left" in China's socialist modernization, reform, and opening up. Following the PRC's founding, we suffered a great deal from 1957 to 1978 because of the "left" tendencies. The "Great Cultural Revolution" was a product of ultra-"left" tendencies. China actually remained at a standstill in the 20 years from 1958 to 1978. The national economy and people's livelihood did not develop or show any improvement. Could we allow such a state of affairs to continue without introducing reform? As a matter of fact, Deng took the opportunity of talking with foreign guests to correct once again the "leftist" mistake and trend which cropped up within the CPC after 1983, which said that "reform and opening up may ruin the achievements of the revolutionaries of the elder generation."

Instead of Opposing the "left" Tendencies, Deng Proposed "Guarding Against the 'left' Tendencies"

Third, during his southern trip in early 1992, Deng Xiaoping criticized by name a number of "leftist" theorists and statesmen from within the CPC. He said: "We are now influenced by both 'left' and right tendencies. The 'left' tendencies are deep-rooted. Some theorists, such as Deng Liqun, statesmen like Song Ping and Li Ximing (the names of the three persons were deleted when the remarks became a central document but were included in Volume 3 of *Selected Works of Deng Xiaoping* use labels to frighten others. They are influenced by the 'left' and not right tendencies. The 'left' tendencies have a revolutionary color, and further 'leftism' means being more revolutionary. 'Left' tendencies have been terrible in the history of our party, and a good thing can be damaged by 'left' tendencies. Right tendencies can ruin socialism, but so can the 'left.' China must

be alert for right tendencies, but must primarily guard against 'left' tendencies. It is a 'left' tendency to regard reform and opening up as importing and developing capitalism and to believe that the danger of peaceful evolution comes mainly from the economic field. We must have a sober understanding of this." (When these remarks were included in a central document, a passage "There are right tendencies, such as turmoil, as well as 'left' tendencies" was added after "mainly guard against 'left' tendencies.") The third correction of the "left" tendencies by Deng was aimed at the second "anti-Deng" "left" trend launched by the "leftist" forces within the CPC after 1990, which regarded reform as "a retrogression to capitalism." The great achievement made in the move was that China embarked on the track of "building a socialist market economy."

Figures from Beijing's political circles say that Deng Xiaoping actually intended to directly propose opposition to the "left" tendencies during his southern trip. In consideration of the fact that it might not be acceptable to some inner party figures, he changed it to "mainly guarding against 'left' tendencies." Deng Xiaoping was quite aware that, in the CPC's 70-odd-year history, it had suffered most from the "left" tendencies, from which it had learned a bitter lesson. If the "left" tendencies are allowed to spread unchecked today, they will confuse the people's thinking, will regard the line, principles, and policies since the Third Plenary Session of the 11th CPC Central Committee as a capitalist restoration and negate them, and will even lead to the historic tragedy of the second "Cultural Revolution." For this reason, the CPC must be on the alert for right tendencies but must primarily guard against "left" tendencies. This is a political warning related to whether China will advance or regress. It is also a prescription given by Deng to the CPC leadership of the third generation to rule the party and country.

Why Have "Left" Tendencies Run Rampant?

However, the Beijing source said, the "leftist" forces within the CPC never accepted Deng's formulation on primarily guarding against "left" tendencies. Instead, they have repeatedly made counterattacks, directing the bulk of the criticism against Deng. In June 1993, NEIBU WENGAO [INTERNAL DOCUMENTS], published by QIUSHI, carried an article by Li Yanming, which said: When bourgeois liberalization was running high, the party's principal leaders insisted that "left" tendencies constituted the main danger. This is also a metaphysical way of thinking which runs counter to the spirit of seeking truth from facts. This thinking places the party and the state on the path already taken by some former socialist countries. In November of the same year, the "theoretical new stars," who were also members of the Chinese People's Political Consultative Conference [CPPCC] and who blamed Deng's southern talks as "decrepit and muddleheaded" and claimed they are "leading China's socialism to the capitalist pit of hell," were selected as entourage of President Jiang Zemin,

who was scheduled to visit the United States. Deng Liqun said with high spirits that the central leaders must be surrounded by more people who uphold socialist ideals and who have a say in making policy decisions. The book *Viewing China With a Third Eye*, published in March this year, totally negated the reform led by Deng Xiaoping and spoke highly of Mao Zedong's administration. Based on the theory that Deng's formulation "poverty is not socialism" did not make sense, the fourth issue of the "leftist" magazine ZHENLI DE ZHUIQIU even carried an article criticizing Deng's argument on taking economic construction as the center. Facts have shown that the "leftist" forces within the CPC have never ceased their efforts. They are waiting for an opportunity to restart another large-scale controversy throughout the party and nation in an organizational and planned way in a bid to change Deng's call for guarding against "left" tendencies into opposing bourgeois liberalization.

Figures from Beijing's political circles believe that the "leftist" forces within the CPC have been running rampant because they are very deeply rooted in the party. It is also related to the tradition that the CPC opposes the right more than the "left," is tougher on the right, accommodates the "left" but does not tolerate the right, punishes the right but never the "left," and allows the "left" to be promoted but lets the right suffer. For this reason, it is universally acknowledged within the party that "leftism" is a matter of methodology while rightism is a matter of standpoint—the "left" is safe, but the right is dangerous; the "left" is better than the right; and the "left" is preferred over the right. Although Deng Xiaoping has corrected "leftist" mistakes three times since his third restoration to office, he has been generous toward the "left," conditioning it with the instruction "no more controversies." Although criticisms of the right are not as fierce as in the past, Deng Xiaoping's personal removal from office of Zhao Ziyang and Hu Yaobang, who inclined toward the right, fueled the arrogance of the "leftists." How, then, can the pernicious influence of the "left" tendencies be eradicated? If the "leftist" forces are this prevalent while Deng is still alive, they will certainly be swollen with arrogance after his death. Once the pernicious influence of the "left" tendencies run rampant, there will be no tranquility for the country. We must see whether the third generation of the CPC has the courage to continue to oppose the "left" tendencies.

Central Official Views Economic Crime Characteristics

HK0609142794 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0603 GMT 2 Aug 94

["Senior Official of Central Commission for Discipline Inspection Talks About Four New Characteristics of Economic Crime at Present"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 2 August (ZHONGGUO TONGXUN SHE)—When talking about the mainland's struggle

against corruption recently, Hou Zongbin, deputy secretary of the Central Commission for Discipline Inspection, stressed: We should place great importance on investigating and dealing with major and important economic criminal cases, fully understand and grasp the new characteristics of economic crime, and strive for marked achievements in the second half of the year.

Hou Zongbin pointed out: Compared with those in the past, the current economic criminal activities have new characteristics in addition to their generalities.

1. The volume of money involved in economic criminal cases is enormous, expanding from tens of thousands of yuan, millions of yuan, tens of millions of yuan to even over hundreds of millions of yuan. This state of affairs is highly damaging.

2. Covert and crafty means are employed in committing economic crimes, thus making it more difficult to investigate and deal with the crimes.

3. Offending bodies have become more complicated, with more and more persons at higher levels involved in economic crimes, and the number of legal persons, organizations, and cadres in the party and government organizations at the county and section levels committing economic crimes is on the rise.

4. Criminal activities have a thicker protective shield and offenders have thus become more confrontational. Driven by interests, some leaders of localities, departments, and units adopt a protectionist approach, tacitly consent, tolerate, and even shield and wink at economic criminal activities. Some offenders form a social force. When one of its members commit a crime, the others would rally rapidly, with some offering forged documents or refusing to testify and others even applying pressure to party and government leading organizations as well as law-enforcement and discipline inspection departments.

Hou Zongbin stressed: When investigating and handling major and important economic criminal cases, party committees at all levels must strengthen leadership and carry out the task as "an effort of the whole party." Meanwhile, they should step up the effort to handle the cases putting stress on selected cases and promptly and decisively investigate a number of major and important cases and deal with them accordingly.

Daya Bay Pumping Unit Presents Recurring Problem

HK0309063194 Hong Kong SOUTH CHINA MORNING POST in English 3 Sep 94 p 3

[By Patricia Young]

[Text] Daya Bay nuclear plant officials said yesterday that a problem that caused a generator to be shut down this week was a repeat of a fault that first occurred 10 years ago and "should have been solved by now". The

shutdown occurred after a pump failed in the non-nuclear section of the plant. The failure did not cause any disruption to power supply to the territory, but officials said it was a situation that could occur again.

"We have had some problems with the system, but it was not related to any safety problems which could affect the population," the plant's technical adviser, Jacques Pretti, said. "The same type of problem occurred 10 years ago at the Castle Peak plant. It is not specific to nuclear plants. Even though we have a newly designed pump we still have the same problems and they can occur again." Dr Pretti blamed the shutdown on the design of the pumping unit, which he described as being over-designed and fragile. "From a design point it is a perfect pump, but when you get into the practical world it has some problems," Dr Pretti said. "We will have to find the root cause of the problem and eliminate it and do the final adjustments. The core reactor is a duplicate of what we have in France. The design we have on the pump is British."

Government officials said they were immediately informed when the shutdown occurred on Monday. An official announcement by the plant was not made until three days later. "We were informed about the shutdown and we feel the situation was resolved immediately and offered no safety problem," a Security Branch spokesman said.

RENMIN RIBAO Hails Recent Tibetan 'Development'

HK0309035294 Beijing RENMIN RIBAO in Chinese 1 Aug 94 p 1

[Dispatch from Lhasa by staff reporters Liu Wei (0491 0251) and He Guanghua (6320 1639 5478): "Thanks to the Loving Care of the CPC Central Committee and the Great Support of Various Provinces and Cities, Tibet Has Entered Its Best Period of Development"]

[Text] Lhasa, 31 Jul (RENMIN RIBAO)—The news of the guidelines of the Third Tibetan Work Symposium held by the party's Central Committee and the State Council has spread rapidly across the Xueyi highland for many days. The kind concern shown by the party's Central Committee and the vigorous support given by various fraternal provinces, (municipalities, and autonomous regions) have profoundly inspired the Tibetan people of all nationalities. They are rejoicing over the new development opportunity for Tibet and are full of confidence in the lasting good order, prosperity, progress, and bright future in Tibet. After 15 years of reform, opening up, and modernization, Tibet is now witnessing political stability, national unity, and vigorous development in economic and various social undertakings. With the people's living standards being repeatedly enhanced, Tibet has entered its best development period in history.

In the big family of national unity of the motherland, the socialist new Tibet has always been accorded solicitude

and profound love by the central authorities and various localities throughout the country. Particularly since the Third Plenary Session of the 11th CPC Central Committee, the central authorities have held two symposiums on Tibetan work and have formulated a series of special policies and flexible measures such as the exemption of tax collection and requisition purchases and the revitalization of the economy, which are conducive to development in Tibet. Moreover, apart from the appropriation of ample funds to replenish Tibet's finances every year, the central authorities also injected a large amount of money into the construction of a vast number of large-sized key projects, which have a bearing on the staying power of Tibet's economic growth. For instance, the investment amount for the comprehensive agricultural development project of the "Yarlung Zangbo River, the Lhasa He, and the Nyang Qu He," the Yanghu Power Station, among others, all exceeded approximately 1 billion yuan. These moves have considerably promoted Tibet's reform, opening up, and modernization and have expedited the pace of development of Tibet's relatively backward economy. Apart from sending a certain number of teachers, doctors, engineers, technicians, and party and government cadres to work in Tibet, various fraternal provinces and cities have also offered energetic financial and material support to it. In 1985, these provinces and cities supported Tibet in 43 projects, giving the "Roof of the World" modern gymnasiums, hotels, hospitals, and cultural facilities.

Tibet's economic foundation was weak, and there was a relatively large gap in the social and economic development level between Tibet and other provinces and cities across the country. However, along with the increase of intensity in Tibet's reform and openness, its economic structure has been substantially readjusted, the potential advantage of natural resources has been gradually transformed into a concrete economic advantage, its development speed has obviously quickened, and its economic strength has been rapidly augmented. In 1993, its GNP reached 3.65 billion yuan, representing an increase of 116 percent over 1980 as calculated by comparable prices. In grain production, there have been bumper harvests for six consecutive years, with a total output of 620,000 tonnes in 1993, increasing by 22 percent over 1980. The number of industrial enterprises increased from a dozen or so in 1978 to more than 180 at present, and a number of backbone enterprises, with priority given to the development of local resources, have been established. Meanwhile, burgeoning industries including foreign trade, tourism, township and town enterprises, individual and private economies, and so on developed very rapidly. Last year, the total import and export volume across the region reached \$130 million, increasing 5.2-fold as compared with that in 1980. The business income of tourist trade and the revenue of township and town enterprises both exceeded 100 million yuan. The work to introduce investment abroad and establish lateral ties at home presents a good development momentum. In 1993 alone, there were 41 projects

of combining imports of advanced technology with internal economic association in Tibet, for a contract amount of 67.11 million yuan.

Thanks to the energetic support of the state, Tibet's infrastructure facilities, including energy supply, transportation, and communications, have remarkably improved. Highways open to traffic throughout the region currently cover approximately 22,000 km, which has initially developed into a communication network with Lhasa as a center, radiating to 80 percent of the cities and towns. There are also several domestic and international air routes. The telecommunication undertaking is advancing by leaps and bounds. More than 700 satellite ground receiving centers covering the entire plateau have been built, and more than 5,000 domestic and international program-controlled and automatic telephone lines have been put into operation. The pace of energy construction has been accelerated. The installed capacity of electric power increased from several hundred kw in the past to 170,000 kw at present, and the Yanghu Power Station, with an installed capacity of over 100,000 kw is expected to go into operation in September next year.

Other social undertakings in Tibet have also developed vigorously. It was a "year of education in Tibet" in 1993. The masses of various nationalities were extremely enthusiastic about running schools in all localities. The enrollment rate for school-age children has risen to 64 percent, and the number of students in various kinds of schools has reached 245,000. In addition, the party's Central Committee has always shown great concern for Tibet's educational undertakings. It has not only supported Tibet in running more than 3,000 schools but has also set up Tibetan middle schools and Tibetan classes in 26 provinces, (municipalities, and autonomous regions) since 1985 to meet the requirements of Tibet's modernization drive. Tibetan students studying in various localities across the country have reached 11,000. The medical and public health undertakings are booming with each passing day. There are over 1,000 public health organs throughout the region at present, which have formed a medical and public health network covering all the cities and villages in the region. The immunization rate for children is close to 90 percent, and the average life-span has been extended to 64. Considerable headway has also been made in scientific, technological, cultural, and other undertakings.

The people's standard of living has been repeatedly enhanced. In 1993, per-capita net income of peasants and herdsmen across the region grew to 521 yuan. In the agricultural area of the "Yarlung Zangbo River, the Lhasa He, and the Nyang Qu He," there is nothing strange about peasants building new houses or buying cars and television sets.

'Sources' Report Harrassment of Christians in Liaoning

HK0709083594 Hong Kong SOUTH CHINA
MORNING POST in English 7 Sep 94 p 12

[By Daniel Kwan]

[Text] Protestants in Shenyang, Liaoning Province, are living in terror, after the arrest of two pastors at an official church who tried to expose senior clergymen they suspected of embezzling of church money and corruption. One of the pastors, Gao Liangyi, has been held at the Shenyang No 2 Detention Centre for almost five months without charge, according to sources. The other pastor, Gao Peiman, was released, but immediately placed under 24-hour surveillance by local police.

According to their warrants—copies of which were obtained by the South China Morning Post—the two pastors from the official Dongguan Protestant Church in Shenyang were held for “shelter and investigation” but no specific charges were stated.

The arrests and the harassment of church-goers have sent jitters throughout the Christian community in Shenyang and driven hundreds to underground churches in the city. One Chinese Christian who visited the area recently said in one district alone, at least 30 “gathering points” or unofficial house churches have appeared in the past few months compared with just four before the arrests of the two pastors. Some of these gathering points accommodate more than 100 Christians who meet regularly during the week.

The growth in house churches in the city prompted a crackdown by Public Security officers, who rounded up the Christians and warned them not to join the unofficial churches. Most of these unofficial church leaders were released after they signed a confession and were warned not to hold any more gatherings. Despite the harassment sources said there were no signs Christians were staying away. Foreign Christians estimated that there were at least 100,000 in Shenyang.

A local Christian told a reliable source: “We are driven to the corner. The local religious bureau won’t help us. Please bring this news to the outside world.”

Sources said the wife of Gao Liangyi, Liang Lijuan, now faced constant harassment from the police and her home was bugged. She was unable to work and had difficulty supporting the family, including their five-year-old daughter and Gao’s 69-year-old mother. Although he has been granted “bail waiting for trial”, Gao Peimari was not allowed to communicate with anyone and was under constant surveillance. Both pastors were suspended and church authorities have stopped paying their families.

One source just back from Shenyang said “dozens” of plain-clothes officers were patrolling the Protestant churches in Shenyang on Sunday to monitor any trouble-makers. The tension began soon after local Christians in Shenyang tried to bring their case to the attention of higher authorities but the petitioners sent out by the local Christians were either intercepted by Shenyang Public Security officers or rejected by the officials in Beijing and Shanghai.

Many of these petitioners were later questioned by the police when they arrived home in Shenyang.

Liaoning Police Intervene in Protestant Church Dispute

HK0709083294 Hong Kong SOUTH CHINA MORNING POST in English 7 Sep 94 pp 1, 12

[By Daniel Kwan]

[Text] China’s top Christian leader, Bishop Ding Guangxun, has been forced to intervene in a conflict between pastors of a congregation in Liaoning province and the police. The Reverend Gao Liangyi, a pastor of the Dongguan Protestant Church in Shenyang, has been jailed even though he has not been convicted of any crime.

Sources said the 38-year-old pastor was now being held in Shenyang No 2 Detention Centre with murderers and robbers. They said the Public Security Bureau (PSB) refused to release the pastor despite pleas from Bishop Ding.

The Reverend Philip Wickeri, director of the Amity Foundation in Hong Kong and a close associate of Bishop Ding, was given the opportunity to preach at the Dongguan Protestant Church last Sunday. He told the congregation that they should not bring in “secular forces” in resolving conflicts within the church.

Gao Liangyi and another pastor, the Reverend Gao Peiman, of the Dongguan Protestant Church, were arrested last April after two senior clergymen, Lu Zhibin and Gu Yaozu, claimed the pair were trying to “seize power” and “create chaos”. Gao Peiman was released but immediately put under constant surveillance by the police.

The Reverend Baa Jiayuan, a spokesman of the Chinese Christian Council in Nanjing, last night confirmed that an effort was being made to settle the dispute within the church. “Yes, we are aware of the incident,” Mr Bao said. “We are working on it and hope that, through co-ordination from different parties, we can solve the case quickly.”

According to an informed source, Bishop Ding had sent two special investigators to Shenyang after the incident became public. But the investigators—one of them a former classmate of Gao Liangyi and another a reporter of the official church publication Tian Feng—were intercepted by Public Security officials and warned to stay away.

Sources said the officials searched the investigators’ documents and stopped them from meeting any members of the congregation. “The PSB told the investigators that they don’t care who Ding Guangxun is,” the source said.

Both the Shenyang PSB and No 2 Detention Centre yesterday denied any knowledge of the arrests. A woman officer of the PSB said: “Where did you hear about this. Don’t believe rumours. There is no such thing.” But another church worker at the Dongguan Protestant

Church confirmed that Gao Liangyi was still under detention. "His crime has not been announced yet. It would do no good for me to comment on this," a church worker said. "Gao is a good person, he cares about us Christians."

The conflict started in November last year when Christians in Shenyang demanded that the local Religious Bureau help them expand their churches by re-claiming some of their properties confiscated during the Cultural Revolution. The bureau refused to help, claiming they were not responsible for such matters.

Discontent reached a climax last February when 7,688 members of the congregation voted to form a committee to take over the management of the Dongguan Protestant Church. They appointed 29 auditors to look into the finances of the church. The auditors subsequently reported that a large amount of church money was missing. Soon afterwards, on April 7, 400 police officers stormed the Dongguan Protestant Church and confiscated all church documents and a safe deposit box.

Police Complicate Dissident's Release From Prison

HK0409071494 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 4 Sep 94 p 7

[By John Kohut in Beijing]

[Text] Police gave dissident Yu Zhuo a cruel send off after his two-year jail term by leaving him handcuffed to a chair while they went off for a banquet. The 26-year-old student activist was finally released late on Friday, but not before his parents travelled eight hours to pick him up from the detention centre in Wuhan, central China, only to find he had been moved.

Mr Yu had been taken the day before to a police station only 20 metres from his home, and near his father's work unit. There, police handcuffed him to a chair for most of the next day, then left for their feast. They did not, however, tell Mr Yu's father of the move.

Contacted by telephone yesterday, Yu Zhuo said the handcuffing was unnecessary. The police knew he would not run hours before his release. Mr Yu said he wanted to return to school, but doubted this was possible, given his criminal record. He had been a computer science student at Hubei University in 1989, when he was held for more than a year for his involvement in student protests.

On the third anniversary of the Tiananmen Square massacre, Mr Yu pasted up posters demanding punishment for those responsible. Police detained Mr Yu on September 3, 1992, and held him incommunicado until May the next year, when formal charges were made. He was imprisoned for two years for "counter revolutionary propaganda and incitement".

Yesterday, although political activism appeared to be off the agenda, Mr Yu said: "I will not abandon my ideas, but I will have to adopt appropriate measures in my (political) behaviour."

Dissident Chen Ziming Undergoes Cancer Treatment

HK0709084194 Hong Kong EASTERN EXPRESS in English 7 Sep 94 p 1

[By Bruce Gilley]

[Text] Chen Ziming, China's foremost dissident, who suffered horribly in prison after being branded as one of the principal figures behind the 1989 Tiananmen Square uprising, has been admitted to a Beijing hospital suffering from suspected cancer. Police have sealed off a wing of the People's Hospital where Chen is staying.

Chen's release from a 13-year sentence on medical parole in May helped to secure renewal of China's Most Favoured Nation trading status with the United States. At the time, he refused offers from Beijing authorities to send him abroad for treatment of his numerous ailments, considering it an attempt to banish him into forced exile, from which he might not be allowed to return. "They couldn't break his will, but they may have succeeded in destroying his health," a close friend said last night.

Chen's colleague Wang Juntao, the other leading figure of the 1989 protests, went to the US in April after being released on medical parole. Members of the post-Tiananmen diaspora of Chinese are expected to use the latest deterioration in Chen's health to try to convince him to seek medical attention abroad.

Friends said a local detachment of six plainclothes police officers were posted on the third-floor ward of the People's Hospital, with orders to bar all visitors except Chen's wife, Wang Zhihong. Other patients have been shifted to a separate ward. "This is just a normal practice of the hospital when patients are being prepared for surgery," an official with the hospital's general duty office said.

Chen, 42, is expected to undergo an operation on lumps on his testicles in the next few days. Chen is already dogged by heart, skin, stomach and kidney problems and doctors said he would need increased medical supervision in the light of the latest affliction. While medical treatment equal to the best in the world exists in Beijing, it is rarely made available to non-officials, regardless of their financial resources.

Friends said Chen, who was denied regular medical examinations during his four-and-a-half years in prison, was unlikely to be given proper treatment if his condition worsened, given the desire of the authorities to force him to leave the country.

A medical examination arranged by family members shortly after his release found that Chen suffered from hypertension and a heart problem. An earlier report from the New York-based Human Rights Watch/Asia said the poor sanitation and lack of nutrition which was part of Chen's regime behind bars had caused ailments to his skin, kidneys and stomach.

Chen's apartment has been under 24-hour police surveillance since his release, despite appeals to the local authorities to end the virtual house arrest. Early last month, he was barred from taking an English test necessary to begin a doctoral programme by correspondence with the University of Michigan. This was interpreted as a further attempt by officials to force him abroad.

Chen, arrested and imprisoned towards the end of the Cultural Revolution, had played a leading role in the Democracy Wall movement of 1978-81 and went on to set up China's most influential private think-tank in the 1980s. After attempting to mediate in the conflict between student protesters and the communist leaders in Tiananmen Square in 1989, Chen was labelled a "black hand behind the black hands" and sentenced to 13 years in prison for sedition.

Police Sentence Labor Activist to 3 Years Labor

HK0509074294 Hong Kong SOUTH CHINA MORNING POST in English 5 Sep 94 p 10

[By John Kohut in Beijing]

[Text] Police have sentenced labour activist Zhang Lin—held in Anhui province since June—to three years of reform through labour, his wife Ji Xiao said yesterday.

Ms Ji said by telephone that she and six friends and relatives were allowed two hours with Zhang at a detention centre in Bengbu yesterday before police sent him to a distant labour camp.

Zhang was not given a trial. Under Chinese law police are empowered to hand down reform-through-labour sentences without going through the courts.

Ms Ji said the police charges against her husband were not made clear and no reason was given for the sentence.

However, police had been searching for her husband since local residents filed a complaint after he helped two American journalists interview peasants in Anhui earlier this year.

The dissident went on a hunger strike after police informed him of his fate a week ago.

He broke that strike only yesterday.

"He was happy to see us, so he ate a few things we brought for him," Ms Ji said.

Zhang was arrested in Beijing shortly before the fifth anniversary of the 1989 Beijing massacre, and then handed over to police in Bengbu.

He was a key activist in a labour movement—decimated over past months by the arrests of several of its main organisers.

The 31-year-old dissident has been jailed five times before. The longest sentence he served was just under

two years—from June 1989 to March 1991—for activities related to the 1989 student-led democracy demonstrations.

He was the head of the Students' Autonomous Union in Bengbu before his arrest on June 8, 1989. He holds a degree in nuclear physics from the prestigious Qinghua University in Beijing.

Zhang was detained for three months in 1986, three months in 1987, and a month in 1988, and a month in 1992.

He was beaten up several times by fellow inmates, his lip was split twice, and he developed a nervous disorder during his detention.

Before leaving Anhui earlier this year to evade police, Zhang ran a consultancy to facilitate technology transfers within China. The venture soon became involved in political consultancy.

Zhang's political activism took him to the Burmese side of the Chinese border in 1988. There, inspired by the unlikely combination of the Khmer Rouge of Cambodia and the Contras of Nicaragua, he tried to set up a revolutionary base and create a private army to achieve the goal of a democratic China.

But he soon abandoned that project after finding it was hard to convert peasants along the border to his cause.

Ms Ji said that when she saw her husband yesterday, he was suffering from his nerve complaint and was generally in poor health.

She believes he will resume his hunger strike.

Authorities Prepare To Pass Sentence on 3 Dissidents

HK0609073194 Hong Kong EASTERN EXPRESS in English 6 Sep 94 p 8

[By Bruce Gilley]

[Text] Authorities are set to pass sentences on three prominent dissidents, signalling a drive to clear up the backlog of close to 20 people detained in Beijing since March.

The severe terms being handed down to the three—Liu Nianchun, Tong Yi and Zhang Lin—suggest that releases are unlikely, despite international pressure.

The New York-based Human Rights Watch/Asia charged in a recent report that China's new pattern of arbitrary detention and the holding of dissidents incommunicado for prolonged periods reflected the easing of international pressure since the U.S. government severed the link between human rights and trade in May.

Details of the three official investigations reveal the lengths to which Chinese judicial officials are going to

come up with evidence to justify harsh sentences and account for the lengthy delays in resolving the clutch of cases.

The case most likely to spark international outrage is that of Liu Nianchun, the father of an embryonic unofficial workers movement, who has been given the choice of two years in a labour camp or leaving the country, according to sources in the capital.

Liu's wife, Chu Hailan, was told by police last week that she should make a decision "on behalf of him".

Despite a frantic four-month search, police had been unable to come up with any evidence of criminal misdeemeanour since Liu was detained at the end of May.

In attempting to set up a new workers' league in March, Liu, 46, had followed procedures closely, including filing an unsuccessful application to register the group with the Ministry of Civil Affairs.

Police told his wife they could still send him to a re-education-through-labour camp on the grounds that his "thinking could upset social stability".

Friends said Chu was likely to opt to leave the country for the sake of the couple's child.

The family would probably apply to go to the U.S., where Liu's elder brother, Liu Qing, is head of the New York-based Human Rights in China.

An equally harsh sentence is in line for Tong Yi, who formerly acted as a personal assistant to the well-known dissident Wei Jingsheng. Tong was formally arraigned last week on charges of forging an official stamp, according to sources in Beijing.

The criminal charge normally carries a sentence of up to three years in prison.

Judicial authorities claimed the 26-year-old former university student forged the stamp in order to apply to study at universities in the United States earlier this year.

Wei, who has extensive contacts in the U.S., was helping her to make enquiries at some schools.

As a result of the 1989 Tiananmen Square uprising, Tong failed to complete her studies at the University of Politics and Law in Beijing, and hoped to obtain a degree in the U.S.

Tong was detained in Beijing on April 5, four days after Wei was seized on the road between Beijing and Tianjin.

Tong's husband, Zheng Chengwu, has not received any information about her status since then, in an apparent contravention of mainland law.

The sources said Tong would probably be found guilty and sent back to serve the sentence in her hometown of Wuhan, in Hubei Province.

Meanwhile, police in Bengbu, Anhui Province, are searching for three former female friends of the outspoken dissident Zhang Lin in order to justify a three-year labour camp sentence on the grounds of "illicit sexual relations".

Friends said last night they hoped to contact the three before police did, but held out little hope of success.

Earlier reports that Zhang would be sentenced on grounds of an illegal marriage licence had proved incorrect since friends had produced evidence that proper procedures had been followed in his marriage to Ji Xiao.

Speaking from Bengbu yesterday, Ji said police planned to send Zhang to a re-education-through-labour camp attached to the nearby Xuancheng coal mine.

"His health would be ruined if he had to work there," she said.

2d Detained Performance Artist Released Without Charge

HK0309045094 Hong Kong EASTERN EXPRESS in English 3 Sep 94 p 8

[By Bruce Gilley]

[Text] Beijing police have released the second of a pair of avant-garde performance artists who were detained on pornography charges in June. Zhu Min, 22, was sent back to his hometown of Liling in Hunan province under police escort last weekend, friends said yesterday. As with fellow performance artist Ma Liuming, 25, who was sent home in mid-August, no prosecution was made. Public security officials told friends they had opted to treat both men as "vagrants from the countryside who ruin the image of the city".

The two were detained during a performance in mid-June when police raided a house in the bohemian community called East Village. "Cultural experts" in Beijing later declared the naked performances of the pair were not art. "Rather, they were a kind of expression and unburdening of a basic human instinct, which could be looked upon as obscene and should be seriously punished according to regulations," the BEIJING EVENING NEWS [BEIJING WANBAO] said.

Zhu had been detained at the Qili Tunnel detention centre in Changping county, an assembly point for prostitutes and vagrants in the capital rounded up by local police. Friends said he was initially held in solitary confinement for two weeks before being transferred to a shared cell. The inmates at the centre are given no reading materials or other ways to pass time and are not allowed outside for exercise. Zhu was earlier told he must earn the cost of his train fare home by working at the detention centre, but police later relented because they were "bored" with holding him.

Courts Order Crack Down on Pornography, Other Publications

OW0609175694 Beijing XINHUA in English 1441
GMT 6 Sep 94

[Text] Beijing, September 6 (XINHUA)—China's Supreme People's Procuratorate has ordered its local branches to crack down on the smuggling, production, sales and circulation of pornographic items and other illegal publications.

A recent notice issued by the Supreme People's Procuratorate to its local branches said the smuggling, production, sales and circulation of pornographic books, films, videotapes, audiotapes, pictures and other items, and other illegal books are rampant in some areas.

The notice said the key targets to be cracked down upon should be the ringleaders of such activities or those selling pornographic items to minors, those who illegally publish and print publications that defame party and government leaders, intentionally create friction between nationalities and leak state secrets.

Ding Guangen Addresses Publications Forum

OW0709100694 Beijing XINHUA Domestic Service in Chinese 1224 GMT 1 Sep 94

[Text] Beijing, 1 Sep (XINHUA)—Publications are an important medium for fulfilling the tasks of arming the people with scientific theories, using correct public opinion to guide them, molding them with a noble spirit, and inspiring them with excellent works. During the crucial period of the establishment of a socialist market economic system and modernization, we must pay equal attention to making publications flourish and exercising control over them in a bid to promote prosperity and the healthy development of the publications sector, and to make contributions to reform, development, and stability. Ding Guangen, member of the CPC Central Committee [CPPCC] Political Bureau and member of the CPCCC Secretariat, stressed these points when he addressed a national forum with directors of press and publications administrations from across the country on 31 August.

Ding Guangen pointed out: On the whole, the situation of publications work is good. Publications departments have conscientiously implemented the guidelines of the recent national ideology propaganda work conference and closely centered their vigorous advocacy of the conference's central theme around the overall situation of the whole party's work. The guidelines and ideas for the work of publications have been more clearly defined and the development of the publications sector is shifting from the expansion of scale and an increase in quantity to an emphasis on quality and benefit. The sector has vigorously published publications propagandizing Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line, as well as a series of reading materials that

reflect the spirit of our times and disseminate scientific and cultural knowledge; meanwhile, it has successively completed such key projects as the *Encyclopedia of China* and the *Dictionary of the Chinese Language*. It has attached importance to establishing a system of laws and regulations and strengthening control over the market of books and periodicals. Having done a solid job, it has achieved relatively satisfactory successes. However, some problems that brook no negligence still exist in our publications work. There are still a number of low-class publications produced in a rough and slipshod way; the production and sales of pornography persist despite repeated prohibitions; and a small number of publication units buy and sell book numbers to produce and sell illegal publications in violation of regulations. We must take effective measures to conscientiously solve these problems.

Ding Guangen stressed: Under the condition that efforts are made to develop a socialist market economy, publishing work is faced with numerous new situations and problems. We must strengthen it, not weaken it; we must attach greater importance to it, not neglect it. To do publishing work well under the new situation, we must, as far as guiding thought is concerned, take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the fundamental principle; adhere to the party's basic line; persist in emancipating our minds and in seeking truth from facts; uphold the overall interest of party work; render service to reform and opening to the outside world and economic construction; render service to the building of a socialist spiritual civilization; render service to developing national culture and promoting cultural exchanges with foreign countries; and render service to satisfying people's spiritual and cultural needs. In actual work, we should firmly keep to the orientation of serving the people and socialism and uphold the principle of letting a hundred flowers bloom and a hundred schools of thought contend; focus on construction, disseminate the spirit of the socialist era, advocate diversification; give priority to social benefits and integrate economic benefits with social benefits; and persist in reform and opening to the outside world.

While promoting prosperity, we must pay attention to management and ensure that development is advancing in a healthy way. While it is necessary to satisfy people's needs, we must strengthen guidance in this respect.

Ding Guangen said: Economic development, the improvement of living conditions, and people's need for a rich spiritual and cultural life have set a higher demand on the publishing industry's prosperity. Proceeding from the interests of the party and people, publishing departments and publishers should, with an enterprising spirit, continue to turn out more outstanding publications so as to provide people with the best intellectual products. Efforts should be made to organize the publication and the publicizing of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; to publicize patriotism, collectivism, and socialist ideology; to

promote the outstanding culture and virtue of the Chinese nation; to disseminate publications on knowledge about the socialist market economy and modern science and technology; and also to publish more reading materials which are beneficial to the healthy growth of young people and children and which are liked by them. He stressed: To flourish in the publishing industry, it is also necessary to have an objective and a measure. Special efforts should be made to develop a plan for publishing important books of the state. In handling key publishing projects, it is necessary to guarantee the ideological content of publications, their cultural grade, and their printing quality in accordance with the requirements of top-notch products. In promoting the building of spiritual civilization, efforts should be made to carry out the "Five-One Project" well—[publishing a good book, making a good drama, a good film, a good TV show, and publishing some good and convincing articles]. We should strive to publish a number of good literary works every year. To satisfy the spiritual and cultural needs of people in urban and rural areas, cities should continue to grasp the projects of building libraries and sending books to rural areas.

Ding Guangen pointed out: We should persist in carrying out activities to crack down on pornography and illegal publications. We should plan these activities carefully so as to achieve good results. Cracking down on pornography is a long-term task. We should grasp it repeatedly. In carrying out this task, we should aim at solving the problem as well as its root cause, combine concentrated control efforts with regular control efforts, plug up the source and stop the flow of products, and combine the establishment of specialized control personnel with setting up supervision by the public. Relevant departments should share and undertake work in a coordinated manner.

Ding Guangen said: Deepening reform is the only way to flourish the socialist publishing industry. The purpose of reform is to establish a publishing management system and an operational mechanism and to publish more and better publications to serve reform, opening up to the outside world, and the modernization drive in a better way. Reform of publishing work should be conducive to enhancing the enthusiasm of publishers, promoting the healthy development of the publishing industry, advancing the building of socialist spiritual civilization, and to strengthening party leadership over publishing work. He stressed: Reform of publishing work involves many areas, including reform of the management system, changing the functions of organs, changing the operational mechanisms of publishing enterprises, cultivating markets for publications, and enhancing the role of trade associations. We should study each of these areas carefully and make explorations in the course of practice. Reform of publishing work is an important matter. We should proceed from reality and advance it vigorously. He said: In reforming publishing work, we should attach importance to legislation and enact laws

and regulations so that there will be laws and regulations to follow. We must strictly enforce laws and lawbreakers must be held accountable.

Ding Guangen pointed out: We should further strengthen our efforts to train a large number of socialist publishers, editors, and distributors. Every publisher should bear in mind that their social responsibility is to publish books to educate people. We should promote honesty and professional ethics and strive to build a contingent of publishers who are strong politically, efficient professionally, and who have a good style of work.

Ding Guangen stressed: Major policies on propaganda and ideological work, which also includes publishing work, were determined by the 14th CPC National Congress and this year's national conference on propaganda and ideological work. To upgrade publishing work to a new level, we must enhance our enthusiasm, heed the overall interest, advance in unity, and work diligently. This is most important. He called on leading cadres of publishing departments to enhance their awareness of responsibility, overall interest, management, reform, opening to the outside world, investigations, and studies. He said: At present, the publishing industry is faced with a favorable opportunity, and work in this field is very promising. We should be able to improve our publishing work even more under the correct leaders' of the party Central Committee with Comrade Jiang Zemin as the core, with the concern and support of the party committees and governments at all levels, and with the concerted efforts of all comrades.

The national forum of directors of press and publications administrations was held in Beijing from 29 to 31 August. Yu Youxian, director of the Press and Publications Administration, presided over the forum.

XINHUA Notes Efforts To Rectify Publication Orders

OW0509011394 Beijing XINHUA Domestic Service in Chinese 1347 GMT 1 Sep 94

[By reporter Qu Zhihong (2575 1807 4767)]

[Text] Beijing, 1 Sep (XINHUA)—It was learned from the State Press and Publication Administration that, in light of the problem of some newspapers and journals selling publication serial numbers [ISSN] in violation of discipline and regulations, the concerned state administrative departments have taken strict measures to revoke the registration of and severely punish some newspapers and publications such as JIANGSU JIANKANG BAO [JIANGSU HEALTH PAPER] and HUASHI DAWANG [KING OF PICTORIAL BOOK] to ensure the healthy development of newspapers and journals under the new situation of a socialist market economy.

According to the State Press and Publication Administration, since the beginning of this year the press and publication circles in our country have actively implemented the guidelines of the central conference on media

and ideology, strived to raise political and cultural quality, provided good information, and made positive contributions to the modernization drive by providing intellectual support. However, there are some newspapers and publications which have lowered their standards, followed an incorrect orientation, carried low quality articles, and operated in a poor manner. In particular, some individual newspapers and publications have violated discipline and regulations to seek economic profits, and have sold standard serial numbers and spaces of whole pages. They have seriously damaged the reputation of newspapers and publications and created a very bad influence.

For instance, JIANGSU JIANGANG BAO, sponsored by the Jiangsu Provincial Public Health Department, signed an agreement with the privately operated Nanjing Science-Industry-Trade Corporation on selling pages without authorization. According to the agreement, the paper would publish an eight-page enlarged edition once or twice a month and hand over the proofreading power for the expanded edition to the corporation. A more serious issue is that the expanded paper twice carried false news stories entitled "Soul of Kaila" and created a very bad influence.

HUASHU DAWANG, sponsored by the Ningxia People's Publishing House, should be a good pictorial publication catering to youngsters. However, following the approval of its establishment in May 1993, the pictorial signed "agreements" with the Painting, Calligraphy, and Culture Branch of the China Eastern Culture Research Society and the Sichuan Hope Bookstore in June of the same year to sell the power of news coverage, editing, printing, and distribution. As a result, the contents of the publication seriously divorced from the goal of its establishment. Some contents carried by the publication even harmed the mental health of youngsters.

A concerned responsible person said that the selling or selling under disguise of publication serial numbers and pages is a conspicuous problem faced by the press and publication administration of our country. It is also one of those channels through which unhealthy and low quality newspapers and journals can be published. Moreover, the tendency is expanding. It was learned that, besides those publicly released newspapers and publications, some newspapers and journals for restricted publication and distribution have also been involved in such activities since the beginning of this year.

SHICHANG WENXUE [MARKET LITERATURE] sponsored by the Association of Literary and Art Circles in Shijiazhuang City, is a restricted publication. In April of this year, many supplementary issues of SHICHANG WENXUE which carried articles of unhealthy contents were found in the market. After investigation, it was discovered that the journal sold publication serial numbers 18 times for a profit of more than 70,000 yuan. As a result, more than 20 issues of 16 kinds of illegal

periodicals which carried articles about sex, murder, and even reactionary contents, were published and circulated.

The registration or permits for printing and distributing publications for restricted reading of the above-mentioned newspapers and publications were revoked. The illegal incomes of some papers and publications were confiscated. Those papers and publications which violate the law will be investigated for their criminal responsibility by judicial organizations. In addition to the above-mentioned newspapers and publications, newspapers and publications which have been ordered to stop publishing since the beginning of this year for various reasons include ZHONGGUO KAIFA BAO [CHINA DEVELOPMENT PAPER], sponsored by the Development and Research Center of the State Council; YIJI GONGREN BAO [FIRST MACHINERY WORKERS PAPER] and ERJI GONGREN BAO [SECOND MACHINERY WORKERS PAPER] of Inner Mongolia; BAOJI KEJI BAO [BAOJI SCIENCE AND TECHNOLOGY PAPER], sponsored by the Baoji City Science and Technology Association of Shaanxi Province; MEIRI JINGJI BAO [DAILY ECONOMICS PAPER], sponsored by the Foreign Economic Cooperation and Trade Department of Gansu Province; ZHENG MING [3630 7686], sponsored by the Social Science Association of Jiangxi Province; RENKOU YU FAZHAN [POPULATION AND DEVELOPMENT] sponsored by Sichuan Lianhe University; CHANGAN WENXUE [CHANGAN LITERATURE], sponsored by the Writers Association of Shaanxi's Changan County; BASHAN WENXUE [BASHAN LITERATURE], sponsored by the Cultural Bureau of Sichuan's Dazhuang Prefecture; and CHUANGSHIJI [GENESIS], sponsored by the Academy of Social Science of Shaanxi Province. SHIDAI SHENGHUO [LIFE OF THE TIMES] and DUSHI SHENGHUO [LIFE OF CITIES] administered by the Press and Publication Bureau of Inner Mongolia have also ceased publication.

At today's press briefing, Liang Heng, deputy director of the State Press and Publication Administration, said: All newspapers and publications at the time of their registration and approval for release have their special tasks and goals and should be responsible to the readers and the society. The publication serial numbers are legitimate signs of approval by the state for publication and release. The selling of publication serial numbers [ISSN] and book numbers [ISBN] is a corrupt behavior in violation of the law, and will interfere and undermine the book and publication market. He especially stressed that, in order to develop a socialist market economy and improve the book and publication market, we must first have necessary legal protection and provide opportunities for equal competition in an orderly manner. He said that from now on all newspapers and journals which sell publication serial numbers will have their registration revoked and be punished according to the law so as to develop the competitive mechanism of "thriving or declining and letting the superior replace the inferior."

New Party Journal Debuts; Hu Jintao Meets Staff

OW0309222294 Beijing XINHUA Domestic Service in Chinese 0755 GMT 2 Sep 94

[By reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 2 Sep (XINHUA)—The first issue of ZHONGGUO DANGZHENG GANBU LUNTAN [FORUM FOR CHINESE PARTY AND GOVERNMENT CADRES 0022 0948 8093 2398 1626 6752 6158 1086], a magazine sponsored by the CPC Central Party School, was published recently. General Secretary Jiang Zemin penned the magazine's title.

At a meeting with the magazine's editorial staff yesterday, Hu Jintao, CPC Central Committee Political Bureau member and Central Party School president, expressed his congratulations on the magazine's inception. He said: "As the Central Party School's theoretical journal, ZONGGUO DANGZHENG GANBU LUNTAN should become an important bastion for propagating Marxism, Mao Zedong Thought, and Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; and, as a forum for party and government cadres, it should reflect the way the vast number of party and government cadres understand the theory as well as the general and specific policies of building socialism with Chinese characteristics; and the experiences they have gained in exploring ways and means to build socialism with Chinese characteristics. The magazine should serve as their guide as well as companion in studying and applying theory and doing their jobs.

Hu Jintao hoped comrades working for the magazine will exert joint exploratory efforts, uphold the right course, and work hard to make the magazine a distinctive, first-rate theoretical journal.

Beginning with the No. 7 issue this year, the magazine, which used to be called DANGXIAO LUN TAN [PARTY SCHOOL FORUM 8093 2699 6158 1086], will use the new name. The new magazine's readership will primarily be party and government cadres at all levels throughout the country. Its objectives include studying, propagating, and researching the theories and practical experiences of building socialism with Chinese characteristics; exploring the law and experiences gained from the country's party and government cadres while doing their work; helping party committee central groups in organizing study; and answering ideological questions that party and government cadres find hard to understand.

Article Views Anniversary of 'Serving the People'

HK0609154094 Beijing RENMIN RIBAO in Chinese 5 Sep 94 p 5

[Article by Luo Changqing (5012 7022 7230): "The Spirit of Serving the People Will Shine Forever—

Commemorating the 50th Anniversary of the Publication of Chairman Mao's Article, 'Serving the People'"]

[Text] Every time I drive past Zhongnanhai, I invariably take a look, with deep feeling, at the five gilded characters, "Serving the People," set on the inside wall of Xinhua Gate. Those five characters always shine brilliantly in the sunshine and the guards standing on the two sides make them all the more solemn and eye-catching. True, serving the people is the purport of our party and the basis on which our party was founded; it is where the life and hopes of our party lie. Every time I see those five characters, some past events remain fresh in my memories and images of leaders come back before my eyes....

It all took place in the early forties, when the War of Resistance Against Japan was in the most bitter phase of being locked in a stalemate. Confronting the mopping-up actions of the Japanese aggressor troops on a wide scale, our base areas were shrinking with each passing day and the Shaanxi-Gansu-Ningxia Border Region was in the encirclement and blockade of the Kuomintang reactionary troops. We were in financial difficulties and there were grave shortages of grain and ammunition; consequently, the situation was very stern. In Chairman Mao's article, entitled "Economic and Financial Problems in the Anti-Japanese War," he indicated: "We should not forget the importance of help from the people. They have given us grain.... Although the Shaanxi-Gansu-Ningxia Border Region is in the rear and has not suffered direct war damage, it has only 1,500,000 inhabitants, a small population for so large an area and the provision of such large quantities of grain is not easy." To reduce people's burden, Chairman Mao published two articles one after another, namely, "Spread the Campaigns To Reduce Rent, Increase Production and 'Support the Government and Cherish the People' in the Base Areas," and "Get Organized!" and promptly set out the determination of the party to go all out to lead the people to develop agricultural production and other production undertakings. At the same time, he issued the call that all institutions, schools, and army units must take up gardening, raising pigs, cutting wood, making charcoal, developing handicraft industries, and growing grain to participate in the production campaign in a big way to overcome economic and financial difficulties by "developing the economy to insure supply" to successfully tide over the difficulties in the Anti-Japanese War.

The Central Guards Regiment, under the leadership of the Central Committee Social Department, at that time actively responded to Chairman Mao's call, and unfolded a production campaign on a grand and spectacular scale. It was commended and awarded prizes at the Border Region Meeting for Model Workers. To ensure central institutes and the troops tided over the severe winter, the Central Guards Regiment sent a small detachment to Ansai to make charcoal in September 1944. On 5 September, Comrade Zhang Side, a soldier of

the regiment unfortunately sacrificed his life during a cave-in in a kiln. Comrade Zhang Side came from Sichuan's Yilong County, a fellow-countryman of Commander-in-Chief Zhu De. Zhang Side joined the Red Army in 1933, went through the arduous Long March, and was wounded once; he was a fine soldier. News of his sacrifice was reported to Comrade Li Kenong, then responsible person of the Central Committee Social Department by the Central Guards Regiment commander, Wu Lie, and Political Commissar Zhang Tingzhen. Chairman Mao was living in Yanan's Zhaoyuan [Date Garden] at that time and Comrade Li Kenong reported the accident to Chairman Mao. When Chairman Mao heard this, he said, Zhang Side had stood sentry for me; you should organize a memorial meeting for him within the range of Zhaoyuan's institutes and I will attend the memorial meeting.

On 8 September, the Central Committee Social Department held a memorial meeting for Comrade Zhang Side at the mouth of the gully where Zhaoyuan's institutes were located. The site of the meeting was solemn and grave and among the participants were cadres from Zhaoyuan's institutes, school students, and commanders and soldiers of the Central Guards Regiment. When Chairman Mao walked with heavy steps up the mound where the meeting site was located, it was filled with a dignified atmosphere.

Chairman Mao said sincerely and with earnest wishes: "We the Communist Party and the party-led Eighth Route Army and the New Fourth Army are a revolutionary force. This force of ours is working solely to liberate the people and wholly for the interests of the people. Comrade Zhang Side was a comrade in such a force." Then, he pointed out: "Everybody dies but their death varies in significance. In ancient China there was a man of letters called Si Maqian, who said: 'Each individual will meet his death; some for a cause worthier than Taishan while others for something cheaper than a feather.' To die in the interest of the people is to die a death worthier than Taishan; while to die serving Fascism and exploiting and oppressing the people is to die a death cheaper than a feather. Comrade Zhang Side died in the interests of the people; his death is worthier than Taishan."

From the sacrifice of an ordinary soldier with the Central Guard Regiment, Chairman Mao elicited and expounded an outlook of life and a concept of life and death as befitted a revolutionary, spelling out our party's and Army's purpose of serving the people. All those present at the meeting were touched and profoundly educated.

After the meeting, Comrade Li Kenong instructed Comrade Xu Ligu to sort out the script of Chairman Mao's speech. I was Comrade Li Kenong's secretary then and since I had also listened with my own ears to Chairman Mao's speech, I participated in the sorting out job. The sorted script was published in JIEFANG RIBAO in

Yanan under the title "Serving the People" and dispatched by the XINHUA News Agency to newspapers in liberated areas and to XINHUA RIBAO in Chongqing, which was then under KMT rule. It drew enormous response from within and without the party and went on to become a classic for the education and training of generations of revolutionaries.

After the publication of the article "Serving the People," a large number of party members examined their own thinking against the article's spirit of "serving the people" and took it as a norm to regulate their words and actions. Take the Central Guard Regiment as an example. It was a force to which Zhang Side was attached and it was educated and nurtured most directly by Mao Zedong's "serving the people" concept. In the last few decades, they have borne firmly in mind our party's and Army's purpose of serving the people and completed brilliantly the arduous mission of protecting the Central Committee in the wartime years. After the founding of the country, they not only ensured the safety of the highest party and state decisionmaking authorities but earned great merit from the people in exposing Lin Biao's plot to betray and flee the country, in smashing the "Gang of Four," and they were cited by the Central Committee as a heroic force. From the growth of this force we can see the enormous power of the spirit of "serving the people."

Speaking of "serving the people," one would naturally think of the servant of the people—Comrade Zhou Enlai. He fulfilled the party's purpose with the energy of a lifetime and was genuinely unselfish and single-mindedly altruistic; he bent himself to the task and exerted himself to the utmost until his heart stopped beating. Moving stories about his deeds of wholeheartedly serving the people spread among the people and such actions by him won universal praise. He was universally recognized within and without the party as a distinguished representative and model of the party's purpose of serving the people. Until the moment he died, he had worn on his chest the badge on which was inscribed "serving the people." No wonder the people praised him from the depths of their hearts: "The people's premier works for the people and the people love their premier." I often asked myself: In the New Long March, what kind of difficulty could not be overcome if every one of us had Comrade Zhou Enlai's spirit of serving the people?

The 8th of September this year marks the 50th anniversary of the publication of Mao Zedong's article "Serving the People." Remembering things past and recalling our past sages, I feel profoundly that today, with the reform and opening up, we must inherit and develop all the more the spirit of serving the people, for it is a characteristic of socialism with Chinese characteristics. Led by the Central Committee, with Comrade Jiang Zemin as the core, and guided by Comrade Deng Xiaoping's theory of socialism with Chinese characteristics, we must uphold the party's basic line, firmly bear in mind the party's

purpose, give play to the tradition of veteran Red Army soldiers, earnestly practise what we preach at our work posts, wholeheartedly serve the people, and do credit to our great party and Army.

Improved Patriotic Education Program Urged

OW0609144294 Beijing XINHUA Domestic Service in Chinese 2121 GMT 4 Sep 94

[Text] Beijing, 5 Sep (XINHUA)—A Program for Education in Patriotism

The Chinese is a great nation full of glorious patriotic traditions. Patriotism stands as a banner mobilizing and inspiring the Chinese people to fight in unity, as an enormous force pushing forward the advance of Chinese society and history, and as an ideological pillar for people of all nationalities. Today, guided by the theory of building socialism with Chinese characteristics and the party's basic line, the Chinese people are vigorously developing a socialist market economy and vigorously building a strong and prosperous modern socialist country with a high degree of democracy and civilization. Under the new historical conditions, carrying forward our patriotic traditions is of great practical significance in boosting the nation's spirit, pooling the nation's strengths, and uniting people of all nationalities across the country to revitalize the nation through self-reliance, thrift, and diligence. Party committees and people's governments at all levels, as well as departments and people's organizations concerned, must attach great importance to this work and vigorously carry out education in patriotism in light of the characteristics of their work.

I. Basic Principles of Education in Patriotism

1. In conducting education in patriotism, we must take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guide and conduct it in a way conducive to promoting socialist modernization, reform, and opening up; to safeguarding the state's and the nation's reputation, dignity, unity, and interests; and to promoting the cause of the motherland's reunification. These are the basic ideological guidelines of education in patriotism in the new period.

2. The purpose of conducting education in patriotism is to boost the nation's spirit, enhance its cohesion, foster its self-esteem and sense of pride, consolidate and develop a patriotic united front to the broadest extent, and direct and rally the masses' patriotic passions to the great cause of building socialism with Chinese characteristics; to help the motherland become unified, prosperous, and strong; to make anyone who has high ideals, moral integrity, better education, and a strong sense of discipline a socialist citizen; and to work hard in unity to realize the ideal of the four modernizations and China's revitalization.

3. In conducting education in patriotism, we must adhere to the policy of stressing its construction. We must act in accordance with Comrade Deng Xiaoping's series of important expositions on patriotism and carry out its construction in terms of developing theories, teaching materials, rules and regulations, and bases. We must ensure that education in patriotism runs through various kinds of ideological-political education and we must steadfastly carry it out on a long-term basis as a basic project for building socialist spiritual civilization and as a main theme in Chinese society.

4. In conducting education in patriotism, we must uphold the policy of opening up to the outside world. Patriotism is by no means parochial nationalism. While carrying forward the Chinese nation's brilliant achievements, we must also learn from and absorb all the achievements of civilization that other countries in the world, including developed capitalist countries, have to offer. Only by doing so, can the Chinese people contribute to promoting world peace and human progress together with the peoples of other countries.

5. In conducting education in patriotism, we must give prominence to the characteristics of our times. Patriotism is a historical concept which has different specific connotations in different stages and periods of social development. In contemporary China, patriotism, in essence, is identical to socialism, and building socialism with Chinese characteristics is the main theme of patriotism in the new period. Comrade Deng Xiaoping has pointed out: "The Chinese people have their own national self-esteem and sense of pride. They regard love of the motherland and dedication of their souls and hearts to their socialist motherland their greatest honor and infringement of the interests, dignity, and honor of their socialist motherland their greatest humiliation." This is the most penetrating generalization of the characteristics of patriotism in China at the present stage. Ideological education in patriotism, collectivism, and socialism constitutes a trinity and is organically integrated in the great practice of building socialism with Chinese characteristics.

II. The Main contents of Education in Patriotism

6. Education in patriotism has a wide range of materials to call on. Rich treasures for conducting education in patriotism can be found in every field of our social life—from past to present, from material civilization to spiritual civilization, from natural scenery to material resources. We must try to skillfully use data on our country's conditions and pay attention to unearthing and utilizing different kinds of valuable educational resources to constantly enrich the contents of education in patriotism.

7. We must conduct education in the long history of the Chinese nation. Our people's patriotic spirit originated and developed in the Chinese nation's long historical process. Through education in Chinese history, particularly its modern and contemporary history, we must

make people understand the Chinese nation's development process characterized by its unceasing efforts to improve itself and to struggle after repeated setbacks; we must make them understand the outstanding contributions of the Chinese people of all nationalities to mankind's civilization, the major events and famous figures in the Chinese history, the spirit and outstanding achievements of the Chinese people in fighting bloody battles and laying down their lives to oppose foreign aggression and oppression, revolt against corrupt rule, and strive for national independence and liberation; and we must make them understand particularly the CPC's lofty spirit and glorious achievements in leading the entire nation to fight bravely for the establishment of New China.

8. We must conduct education in the Chinese nation's outstanding traditional culture. In the course of creating a brilliant civilization, the Chinese nation has developed a traditional culture of strong vitality. This culture is both broad and profound in its contents. It incorporates not only achievements in philosophy, social science, literature and art, and science and technology but also a lofty national spirit, integrity, and good ethics. It has bred not only countless outstanding statesmen, thinkers, artists, scientists, educators, and military strategists but has also left us rich cultural relics, historical records, and classics. This rich cultural legacy provides us with valuable resources for conducting education in patriotism. We must correctly use the motherland's spoken and written languages and vigorously popularize putonghua.

9. We must carry out education in the party's basic line and our achievements in socialist modernization. The party's basic line and the country's achievements in socialist modernization are the most practical, most lively teaching materials for conducting education in patriotism. We must pay particular attention to using the tremendous achievements and successful experience in reform, opening up, and modernization since the Third Plenary Session of the 11th CPC Central Committee to conduct education so as to make the masses of people acquire a stronger faith in socialism and uphold the party's basic line without wavering.

10. We must conduct education in China's national conditions. Education in the national conditions should be conducted in the larger context of the world environment. We must help people systematically understand China's history and present conditions in the economic, political, military, diplomatic, social, and cultural fields and in the areas of population and resources, and we must help them understand the goal, the steps, and the magnificent prospects for China's modernization. We must, by comparing China with other types of countries, help them understand where China is strong, where it lags behind, and what are its favorable and unfavorable conditions, so as to enhance their sense of mission and social responsibility and to better carry forward the pioneering spirit of plain living and hard struggle and of

building the country through thrift and diligence. Education in the national conditions should be conducted in connection with education about conditions in the province, city, and county.

11. We must conduct education in socialist democracy and the legal system. China's constitution and laws reflect the will and interests of the vast numbers of people. We must help people understand China's political, economic, and other systems through extensive and profound education in democracy and the legal system. We must enhance our sense of country and sense of responsibility as the masters of the country. We must develop the habit of observing laws and discipline. While correctly exercising the civil rights provided for in the constitution and the law, we must faithfully fulfill civil duties as provided for in them and resolutely safeguard national interests.

12. We must conduct education in national defense and security. We must, in light of the characteristics of the new period, pay attention to modern national defense education; enhance the entire nation's national defense and security awareness; strengthen unity between the military, government, and people; and heighten the entire nation's awareness to oppose foreign aggression, safeguard the motherland's independence, and protect national sovereignty and territorial integrity. We must educate the entire nation to wage a resolute struggle against words and deeds which betray the motherland's interests, harm its dignity, endanger its security, and divide the country.

13. We must conduct education in national unity. The Chinese nation is a large multinational family. Whether in the interior or on the frontier, in areas inhabited by Han nationality or ethnic minorities, we must strengthen education in Marxist outlook on nationality and religion and in the party's nationality and religious policies, and we must vigorously publicize the relentless efforts and historical contributions by people of all nationalities in safeguarding national unity and the motherland's unification. We must firmly cultivate the thought among people of all nationalities that the Han nationality cannot do without ethnic minorities and vice versa, so that they will consciously safeguard national unity and the motherland's unification.

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14. We should conduct education on the principle of "peaceful reunification and one country, two systems." We should thoroughly and correctly publicize the party's and government's basic stand, principle, and policy on the motherland's reunification, to enable the people to understand the progress in and the emphasis of the motherland's reunification. We should also publicize the contributions made by Hong Kong, Macao, and Taiwan compatriots, to the motherland's reunification, and the patriotic and native place-loving deeds of countrymen residing abroad and people returning from overseas.

III. Education in Patriotism Should Particularly be Emphasized Among Young People

15. Education in patriotism is for everyone, and it should particularly be conducted among the masses of youngsters. Schools, the troops, rural areas, neighborhoods, government offices, institutes, and enterprises, especially Communist Youth League [CYL] and young pioneers organizations, should all treat as an important part of the ideological and political education for youngsters the nurturing of a patriotic sense among the masses of youngsters; the enhancing of their patriotic awareness; and helping them to establish a correct ideal, conviction, outlook on life, and perception of values. Currently, and in the period ahead, we should devote our efforts to promoting education in the party's basic line, education in China's modern and contemporary history, education in China's basic national conditions, and education in the Chinese nation's traditional virtues and superior traditional culture.

16. Schools are important places for educating youngsters. We should incorporate education in patriotism into the teaching at kindergartens all the way through to universities, and into the entire process of educating people. We should particularly ensure that school education plays the major role in educating people. Following the requirements laid down in the State Education Commission's "General Guidelines For Secondary and Primary Schools To Strengthen Education in China's Modern and Contemporary History and Education in China's National Conditions" and "Outlines of Secondary Schools' Ideological and Political Education, and of Secondary and Primary Schools' Language, History, and Geography Education," education departments in all provinces, autonomous regions, and municipalities, should formulate individual plans to conduct education in patriotism along with lectures on each subject (including subjects in natural sciences). They should dissolve the contents of education in patriotism and incorporate them into the teaching of all subjects. All kinds of universities and colleges should actively create favorable conditions for providing elective courses in Chinese history, literature, arts, and science and technology, and other courses in traditional Chinese culture. They should also offer special lectures based on education in patriotism. All universities and secondary and primary schools should strive to set up extra-curricular to conduct direct and graphic education in

patriotism. High schools, universities, and colleges should organize students to take part in appropriate production and labor work, social practice, military training, and other activities, to deepen their affections for workers, peasants, and soldiers, and to enhance their sense of responsibility for the country. In conducting education in patriotism, the masses of teachers should earnestly practice what they advocate and set a good example for young people.

17. Government offices, enterprises, institutes, villages, and other grass-roots units are directly responsible for nurturing the younger generation of socialist people who have lofty aspirations, a sound moral sense, and good education and discipline. They should place particular importance on conducting education in patriotism among young cadres, staff members, workers, and peasants; and treat the work as an important part of their efforts to build civilized units and civilized villages and towns. We should educate the large numbers of youths to firmly harbor a sense that they are the masters of the country; to link their personal interests to the country's future and fate; to correctly handle the relationship between the interests of the state, collectives, and individuals; to love the motherland, their native places, collectives, and their jobs; and to contribute to the country by doing their job well.

Neighborhood residents committees in cities and towns; villagers' committees in rural areas; and trade unions, CYL committees, women's federations, and other civil organizations at all levels, should place importance on the family's special role in conducting education among youngsters. They should treat nurturing ardent love for the motherland as an important element of their efforts to build five-good families, to conduct civilized family activities, and to nurture civilized city residents (villagers).

19. Aiming at young people's interests, we should provide them with rich and lively educational materials on education in patriotism through the use of motion pictures, television films, books, magazines, music, dramas, art, and story telling. All localities and departments concerned should earnestly implement the "Circular on Using Outstanding Motion Pictures and Television Films to Conduct Education in Patriotism at Secondary and Primary Schools Across the Country" (No. 17 of Jiaoji 1993,) which was jointly issued by the CPC Central Committee Propaganda Department, the State Education Commission, the Ministry of Radio, Films, and Television, and the Ministry of Culture; and incorporate outstanding motion pictures and television films into their education and teaching programs. They should earnestly and persistently publicize and show the motion pictures and television films to students to ensure that students are educated. Enterprises, institutes, rural areas, and the troops also should use outstanding motion pictures and television films to conduct education in patriotism among young staff members, workers, peasants, and soldiers.

IV. Properly Build Up Bases of Education in Patriotism

20. All kinds of museums, memorial halls, buildings dedicated to martyrs, facilities in memory of important battles of the revolutionary war, cultural relics protection units, historical sites, scenery spots, major construction projects displaying the results of the country's efforts to build material and spiritual civilizations, and advanced units in urban and rural areas, are important places to conduct education in patriotism. Following the guidelines laid down by local party committees and people's governments, the propaganda departments of local party committees, together with local education administrative departments, CYL organizations, and departments in charge of cultural affairs, cultural relics, civil affairs, and garden work, should select a number of education bases. Grass-roots units and CYL organizations in urban and rural areas should use the selected education bases to actively promote educational activities. Schools should include these kinds of educational activities in their moral education program.

21. Civil affairs, culture, and cultural relics departments, and specialized museums and memorial halls of all categories should continue to implement the "Circular on Fully Using Cultural Relics To Conduct Education in Patriotism and Revolutionary Traditions," which was jointly issued in 1991 by the CPC Central Committee Propaganda Department and other departments. They should properly organize youngsters to visit these facilities and pay respects to the exhibits, and should provide necessary assistance. Education bases that have been authorized to collect a fee from visitors should exempt school-organized teacher-student groups from paying visiting fees. All exhibition units should train qualified personnel to brief visitors on the exhibits.

22. Major construction projects and advanced units in urban and rural areas that have been designated as education bases should regard providing education in patriotism to young people as their honorable job, and should enthusiastically and spontaneously cooperate with concerned units in organizing and receiving young visitors.

23. Areas of natural beauty, cultural relics, historical sites, and scenery spots can inspire people's ardent love for the motherland's magnificent rivers and mountains and its long history and culture. So we should make use of these treasures to let visitors receive education in patriotism while appreciating natural beauty and our culture. Tourist guides' introductions, pamphlets, propaganda materials on all tourist spots and nature conservation areas should contain materials about education in patriotism. Tourist departments at all levels should particularly pay attention to raising tourist guides' consciousness about publicizing education in patriotism. They should do more educational and training work in this regard, and give full play to tourist guides and the role of tourist spots in promoting education in patriotism.

24. In building the "ten thousand-li frontier cultural corridor," we should ensure that we closely link cultural, ideological, and moral building to promoting education in patriotism; and should promote the Chinese nation's superior culture and traditions, in order to enable the corridor to become an important position for the promotion of education on patriotism.

25. It is necessary to plan and organize in a careful and meticulous manner when unfolding various activities in bases for education in patriotism. Educational administrative departments and CYL organizations at various levels should establish links with the education bases and work together with education bases in formulating plans for various activities. Activities should be arranged in a scientific manner bearing in mind the age, mind, educational level, and ability to receive such education of the participant. It is necessary to pay attention to correct ideology. Educational activities should be tasteful and attractive. People can be guided to visit monuments or sweep the tombs of martyrs on important festival or memorial days. People can be organized to take part in social observation and practice in the light of specific subjects of education. Regular activities of the party, the CYL, and the Young Pioneers can also be conducted on an educational bases. People can be guided to take part in voluntary labor to improve the environment and protect facilities in the educational bases. People can be encouraged to write articles, make speeches or take part in lectures on special subjects, compete in knowledge contests, and engage in other activities in connection with their visits to sites of significance and on-the-spot inspections. Schools of various types may use the educational bases to sponsor "winter camps" and "summer camps" during winter and summer vacations. Historical events, deeds of martyrs, and achievements in construction work can be compiled into teaching materials for party and CYL classes, for staff members and workers in rotation training, and for schools in conducting education on local conditions. They can also be used in ideological and political education and in regular classes.

V. Create a Social Atmosphere for Conducting Education on Patriotism

26. In order to turn patriotic thinking into the main theme of society, we must create a rich atmosphere of patriotism and let people feel patriotic thinking and spirit in their daily life at all times. Using modern mass media to disseminate education on patriotism is the sacred duty of news and publications departments at various levels and film and television units. Newspapers, journals, and radio and television stations should establish special columns and special programs to carry or broadcast articles on patriotism, and should use various forms to publicize advanced people and deeds which demonstrate the patriotic spirit. They should publicize the achievements and experiences of socialist construction, and disseminate the history of struggle and the honorable tradition and brilliant culture of the Chinese

nation. They should use major events, which are conducive to invigorating the national spirit, to whip up a surge in publicizing patriotism. Television stations should use their prime time to broadcast programs which can reflect the main theme. The stereo music programs of radio stations should introduce outstanding musical works, especially China's outstanding national music. Various local television stations must make sure they reserve one channel for the transmission of Central Television's Program One. It is imperative to prevent words and pictures being used which might impair state dignity or defame domestic products in advertisements for commodities.

27. Departments in charge of cultural, film and television work at various levels should actively advocate and support the creation of literary and artistic works which carry forward the spirit of patriotism, and strengthen guidance in evaluating and awarding prizes and propaganda work. Departments in charge of publications at various levels should formulate plans for the publication of books and pictorials on patriotism. Educational books should be published in a planned manner to meet the need of readers of special age groups, different educational levels, and different interests. We should attach importance to publishing books on political theory, literature and art, general knowledge, history, and culture which reflect the main theme of patriotism.

28. Party committees, people's governments, relevant departments, and people's organizations in various areas should make use of legal holidays and traditional nationality festivals to educate the masses in patriotism. The organizing of festival celebrations and commemorative activities should be regarded as an important task for promoting patriotism and arousing the patriotic sentiments of the masses. In particular, when activities to celebrate New Year's Days, spring festivals, and other important festivals such as the "8 March," "1 May," "4 May," "1 June," "1 July," "1 August," and "1 October" festivals, patriotism should be given prominence. In organizing festival celebrations, it is necessary to adhere to the principle that the masses like the celebrations and widely participate in them. Some past practices which have been proved feasible, such as park activities on a mass scale during important festivals and mass cultural and recreational activities during important traditional nationality festivals, should be encouraged, enriched, and improved. While continuing to honor existing cultural traditions, various areas should continue to create new forms of celebration to promote patriotism. Efforts should be made to tap the potential of and select a number of nationality festivals that not only demonstrate the characteristics of Chinese traditions but also satisfy the interests of the masses, especially the young people. In short, festival celebrations should provide not only recreational activities for the masses but should enable them to receive education in patriotism.

VI. Encouraging Necessary Etiquette and Enhancing Awareness of Patriotism

29. In conducting education in patriotism, it is necessary to encourage necessary etiquette. In particular, it is necessary to encourage the necessary etiquette that is conducive to cultivating a sense of respect for the national flag, anthem, and emblem and enhancing people's patriotic sentiments.

30. As the national flag symbolizes the state, every organization and citizen must abide by the "National Flag Law of the People's Republic of China." The flag-raising system must be strictly implemented according to the law in units and places that are required by the provisions of the "National Flag Law" to raise and hoist the national flag. Efforts should be made to create conditions for the raising and hoisting of the national flag in the units and places where it may be raised and hoisted according to the provisions of the "National Flag Law."

31. Vigorous efforts should be made to encourage local party committees and people's governments at and above the county levels to hoist the national flag at important meeting halls and meeting places in a solemn, serious, and standardized way. Day-time elementary and middle schools should implement the system of raising and lowering the national flag in accordance with the State Education Commission's "Circular on Implementing 'The National Flag Law of the People's Republic of China' and Strictly Implementing the System of Raising and Lowering the National Flag in Elementary and Middle Schools." Solemn flag-raising ceremonies should be encouraged during group activities, such as ceremonies to begin a new school term, graduation ceremonies, and sports meetings in schools. All localities should be encouraged to organize citizens of 18 years or older to hold adult ceremonies to swear allegiance to the national flag. When conditions permit, large and medium cities may hold solemn flag-raising ceremonies in city central squares on national day and at other important festivals.

32. Singing the national anthem is a sacred act which allows citizens to express their patriotic sentiments. During national flag-raising ceremonies, grand meetings, and other activities, it is necessary to play the national anthem, and singing the words to it should be encouraged on such occasions. All should stand up solemnly when the national anthem is played or sung. When the national flag is raised and the national anthem is played during the ceremony to present prizes at international sports meets, the athletes should turn to the national flag, stand straight, and sing the national anthem.

33. In accordance with provisions of the "National Emblem Law of the People's Republic of China," the national emblem should be hung in the offices of the standing committees of people's congresses at and above county level and their meeting halls; in the offices of people's governments at and above county level; in

people's courts and special people's courts at all levels, and in halls where trials are conducted; in people's procuratorates and special people's procuratorates at all levels; in the Ministry of Foreign Affairs and embassies and consulates overseas; and in appropriate places at entry and exit stations. The national emblem should also be hung at village and town people's governments.

34. Adult citizens and students at and above the third grade at primary schools should be able to sing the national anthem, and understand the contents of the national anthem and the meaning of the national flag and emblem.

VII. Vigorously Publicize Advanced Patriotic Models

35. In conducting education in patriotism, it is necessary to step up publicity on models and bring into play their exemplary role. All news media must regularly publicize the numerous outstanding patriots, national heroes, revolutionary martyrs, and outstanding people in Chinese history; as well as heroes and models who have come forth since the founding of New China. In conjunction with activities commemorating revolutionary leaders and martyrs and famous patriots, we must organize the publication of commemorative articles and the broadcasting of literary and artistic works and programs eulogizing and publicizing their deeds. We must encourage the display—in classrooms, libraries, and auditoriums of all schools—of portraits, poems, and dictums of leaders, martyrs, and celebrities who made outstanding contributions to the development of the Chinese nation. Enterprises and institutions, as well as cultural stations, clubs, and public places in neighborhoods and rural villages, may also display portraits or pictures of some famous model workers from their own locality, trade, unit, or department.

36. Party and government leaders and propaganda departments at all levels must pay particular attention to training, discovering, and publicizing advanced models who are imbued with patriotism and who have made outstanding contributions in various fronts since reform and opening up, so that advanced models of all types can become the role models for the whole of society, whom the masses, especially youngsters, can respect and emulate.

VIII. Strengthening Leadership Over Education in Patriotism

37. Party committees and people's governments at all levels must strengthen the leadership over education in patriotism, and incorporate it as an important item on the agenda by mobilizing all quarters of society to work concertedly to ensure its success. It is necessary to value the democratic parties' important role in education in patriotism. All localities should draw up plans on education in patriotism on the basis of the "program" and in the light of the actual situation in each locality, and should earnestly put such plans into practice. We must step up inspection and guidance and must make the

effort to conduct education in patriotism as one of the important criteria for evaluating results in building two civilizations.

38. Party and government organizations at all levels must take the lead in strengthening education in patriotism among all functionaries, leading cadres in particular. Leading cadres should set a good example in this regard. Propaganda, education, culture, civil affairs, tourism, and park administrative departments, as well as trade unions, CYL committees, women's federations, and other mass organizations, which shoulder direct responsibility for conducting education in patriotism among the masses, should work out specific rules for conducting education in patriotism in accordance with the "program" and with the special characteristics of the work of each organization, and should pay close attention to enforcing such rules. The People's Liberation Army [PLA] should draw up plans in accordance with the "program" requirements and with the reality in the military.

39. Departments in charge of foreign affairs, overseas Chinese affairs, and publicity toward foreign countries, as well as Hong Kong, Macao, and Taiwan affairs departments, should provide written materials, pictures, and audio and visual tapes concerning the motherland's achievements in construction, general and specific state policies, national history and culture, and outstanding literary and artistic works for overseas Chinese, compatriots in Hong Kong, Macao, and Taiwan, and other Chinese citizens residing abroad, in order to encourage and guide their interest in and love for the motherland.

40. Propaganda departments of party committees at all levels must, under the unified leadership of party committees and governments, exercise effective coordination and guidance. Efforts must be made to help departments concerned set up work-related contacts, and clearly define and earnestly carry out tasks. It is necessary to coordinate various quarters to form a cohesive force in education in patriotism. It is necessary to pay close attention to investigation and study, to launch diverse and lively educational activities in a down-to-earth way, do more solid work, stress actual results, and guard against formalism. It is also necessary to constantly summarize and popularize typical model experiences in conducting education in patriotism, and to commend and reward units and individuals with outstanding performance.

Circular Urges Better Education in Patriotism

OW0509080194 Beijing XINHUA in English 0709
GMT 5 Sep 94

[Text] Beijing, September 5 (XINHUA)—The Chinese Communist Party Central Committee has called for national efforts to implement a program for the education in patriotism, drawn up by the Propaganda Department of the party Central Committee.

In a circular distributed nationwide recently, the Central Committee said, "patriotism has always been a banner for mobilizing and encouraging the Chinese people to achieve unity and work hard."

The circular described patriotism as an "enormous force" pushing forward the advance of Chinese society and history, and as an "ideological pillar" for the entire Chinese of various ethnical groups.

It said that under current new conditions, better education in patriotism and carrying forward the tradition of patriotism are of far-reaching significance to enhancing the coherence of the Chinese nation, and uniting the entire Chinese people in building socialism with Chinese characteristics.

"Education in patriotism serves as a basic project to improve the overall quality of the Chinese nation and to promote socialist ideological and cultural progress," it said.

Such education will also guide the Chinese people in setting correct ideals, beliefs, outlook on life and concepts of value, it added.

The circular mandated party committees and governments at all levels to formulate plans and details rules for the implementation of the program for education in patriotism.

Officials Champion Education Rights of Handicapped

OW0209162094 Beijing XINHUA in English 1438
GMT 2 Sep 94

[Text] Beijing, September 2 (XINHUA)—The education rights of the handicapped must be guaranteed, officials from the State Education Commission said here Thursday [1 September].

At a forum jointly sponsored by the State Education Commission and the China Disabled Persons' Federation, the officials urged all local education departments to strictly observe the regulations on the education of the handicapped which have been promulgated by the State Council.

Liu Bin, deputy minister of the State Education Commission, said that compulsory education must be promoted for handicapped children as soon as possible as their average schooling rate is only about 60 percent.

He said that special schools for the handicapped must carry out education reform to improve their standards. In addition, normal primary and middle schools should allow disabled children to take classes with other children.

The number of handicapped people in China tops 51 million and six million of them are of school age, i.e., six to 14 years old.

Wang Chengjin, vice-chairman of the China Disabled Persons' Federation, said it is necessary to carry out the

regulations strictly, as cases of handicapped students who have passed entrance examinations but have been refused entry to colleges still occur in some areas.

Station Commentator on CPC's Patriotic Education Document

OW0609083894 Beijing Central People's Radio
Network in Mandarin 2230 GMT 5 Sep 94

[By unidentified station commentator; from the "News and Press Review" program]

[Text] The "Outlines for Conducting Patriotism Education" drawn up by the CPC Central Committee's Propaganda Department and issued by the CPC Central Committee was published. This is a very important document. The document's publication is bound to give an impetus to deepening patriotism education nationwide and to promoting the development of the two civilizations. History has proved that patriotism is always the powerful spiritual force that supports the Chinese people. Patriotism takes shape on the basis of the Chinese people's long history and fine tradition, progresses with historical development, and has an eminent influence on Chinese history. We can say that Chinese people's patriotism and brave patriotic deeds are the greatest epics ever written in the Chinese history and they represent a glorious page in world history.

Lenin said patriotism is people's deepest affection toward their motherland, which has been consolidated for thousands of years. Under the new historical conditions, the implementation of the "Outlines for Conducting Patriotism Education" are of great practical and historical significance in reinvigorating national spirit; enhancing the Chinese nation's cohesion; and uniting people of all nationalities in promoting self-reliance, making arduous efforts, and striving for the grand undertaking of building socialism with Chinese characteristics.

Patriotism education is a basic project aimed at improving Chinese people's overall quality and strengthening socialist spiritual civilization. To accomplish the project, we must make active, solid, and continuous efforts. The document clearly arranges and stipulates basic principles, main content, and major points of patriotism education. We believe that departments and regions across the country will follow the CPC Central Committee's orders, proceed from their actual conditions, and formulate concrete implementation rules for the outlines as soon as possible. We also believe that departments and regions will do solid work and make achievements in patriotism education.

RENMIN RIBAO today [6 September] carried an editorial calling the "Outlines for Conducting Patriotism Education" a basic project of the socialist spiritual civilization construction. The editorial urges party organs and governments at all levels to publicize the outlines by combining patriotism education with activities launched for the PRC's founding anniversary and to place the implementation of the outlines on the agenda.

RENMIN RIBAO To Run Editorial on 'Patriotic Education'*OW0509164694 Beijing XINHUA in English 1605
GMT 5 Sep 94*

[Text] Beijing, September 5 (XINHUA)—The PEOPLE'S DAILY [RENMIN RIBAO], the country's leading national newspaper, will carry an editorial tomorrow calling for careful implementation of "the outlines of patriotic education".

With the approval of the central government, the full text of the outlines, which were worked out by the Propaganda Department of the Chinese Communist Party Central Committee, will come off the press tomorrow.

Hailing the outlines as a basic project for promoting socialist ideological progress and construction, the editorial says the document was written under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and the fundamental policies of the party, and in accordance with the new situation in China.

The editorial urges party and government departments at all levels to carefully study and fully understand the spirit of the outlines, and launch a nationwide campaign of publicizing and implementing the document in tandem with the celebration activities for the 45th anniversary of the People's Republic of China, which falls October 1.

All localities are urged to list the implementation of the outlines into their work agendas and draft a concrete patriotic education plan in accordance with local conditions, while not shifting their focus from economic construction.

In carrying out various measures for the promotion of patriotic education, propaganda organizations in all localities must also shoulder the responsibility of coordination and guidance, under the unified leadership of local party committees so as to make a success of the implementation work, says the editorial.

Improvements in Women's Education Cited*OW0409071894 Beijing XINHUA in English 0635
GMT 4 Sep 94*

[Text] Dalian, September 4 (XINHUA)—Half a century ago nine out of ten Chinese women were illiterate; while last year seven out of ten had learned how to read and write.

Doctor Wei Yu, vice-president of the All-China Women's Federation, said that about 110 million Chinese women have bid farewell to ignorance thanks to the decades' long campaign of wiping out illiteracy.

In 1993 some 96.9 percent of girls aged seven to 11 entered primary school in China.

The number of women college students reached 852,000 last year, making up one third of the total. The figure was 30 times that in 1947, said Doctor Wei, who is also vice-minister of the State Education Commission.

Last year 6,600 women postgraduates obtained master's degrees, one quarter of the degree winners in 1993; and women doctorate winners accounted for 11 percent of the year's total.

Wei said that until 1992 one out of three Chinese teachers was a woman, and nationwide there were more than 20 women presidents or vice-presidents of universities.

Doctor Wei attributed this great achievement to the consistent efforts of the Chinese Government to ensure women's right to receive an education.

Since the founding of the People's Republic of China in 1949 the government has attached great importance to improving women's political, economic and social status. The concepts of "women's liberation" and "equality between men and women" are deeply rooted in social life.

Preferential policies have been drawn up to encourage education for women, such as by reducing tuition fees for girls, providing accommodation or subsidies and opening free classes or schools.

Social Security Network Improves for Elderly*OW0509164494 Beijing XINHUA in English 1527
GMT 5 Sep 94*

[Text] Shenyang, September 5 (XINHUA)—A social security network for the elderly has taken shape in China, which has more than 100 million people at or over the age of 60.

This was revealed by sources at a national meeting on the welfare of old people in China, who make up eight percent of the whole population.

The meeting was held in this capital of northeast China's Liaoning Province early this month.

Now pensions are provided for most retired urban workers, and similar social security system is being extended to rural areas.

By the end of last year China had set up more than 100,000 recreation centers and 5,300 universities for retired people, as well as a social service network.

For instance, Anshan, an iron and steel city in Liaoning Province, is carrying out a welfare program for its 340,000 elderly citizens, providing them with a large recreation center, a convalescent hospital and apartments.

Meanwhile, in Pingyao, a county in northern China's Shanxi Province, more than 40,000 people at or above

the age of 60 enjoy preferential medical treatment, and those in their seventies are given medical checkups free.

Beijing To Host 'Contest' of Revolutionary Songs

OW0609104194 Beijing XINHUA in English 0838
GMT 6 Sep 94

[Text] Beijing, September 6 (XINHUA)—China is making preparations for an official contest of revolutionary songs, according to the Culture Ministry here today.

The contest is planned to mark the 45th anniversary of the founding of the People's Republic which falls on October 1.

Songs entered will include those created by veteran revolutionaries, such as the late Premier Zhou Enlai and senior leader Deng Xiaoping.

The contest is aimed at "caring on the glorious tradition and promoting greater glory", according to the ministry.

A consultative committee, formed by senior leaders from the central government, together with a group of veteran revolutionaries, will be set up to guide the competition.

Experts 'Entrusted' to Draft Chongqing Regulations

OW0309143794 Beijing XINHUA in English 1405
GMT 3 Sep 94

[Text] Chongqing, September 3 (XINHUA)—Experts from the southwest China Institute of Political Science and Law have been entrusted by the municipal legislature of this large city in Sichuan Province to draft local regulations.

A contract was signed between the two sides here recently, and the regulations to be drafted are the "Regulations on Management of Sino-Foreign Economic Contracts of Chongqing City".

It is the first time in the province to entrust experts to draft regulations.

According to Yu Hanqing, chairman of the municipal people's congress standing committee, this is a trial operation.

Yu said that the drafting of laws by experts is a good way to overcome technical obstacles by taking advantage of the experts' specialized knowledge.

Economic & Agricultural

Li Peng Speaks on Strengthening Price Control

OW0609131894 Beijing XINHUA Domestic Service in Chinese 1121 GMT 6 Sep 94

[By Central People's Broadcasting Station reporter Luo Guanxing (5012 6034 2502) and XINHUA reporter Zheng Qingdong (6774 1987 2639)]

[Text] Beijing, 6 Sep (XINHUA)—The State Council this afternoon [6 September] held a television and telephone conference on further strengthening control of commodity prices. Li Peng, premier of the State Council, spoke at the conference. He pointed out that, in light of the current situation of an excessive increase in commodity prices, the party Central Committee and the State Council have decided to consider the control of inflation as the main feature of economic work for the second half of the year and a future period, and a primary task in macroeconomic regulation and control. He said that practical and effective measures are being adopted to alleviate the sharp increase in commodity prices as quickly as possible, and, in particular, it was imperative to make every effort to basically stabilize the prices of people's daily necessities so as to create a more favorable overall environment for deepening reform and promoting economic development.

Today's conference was presided over by Zhu Rongji, vice premier of the State Council. Leading comrades including Zou Jiahua, Li Lanqing, Li Tieying, Wen Jiabao, Song Jian, Chen Junsheng, Ismail Amat and Luo Gan attended the conference.

The television and telephone conference has set up branch sites in all provinces, autonomous regions and municipalities under the direct jurisdiction of the central authorities. Responsible comrades of various provinces, autonomous regions and municipalities and concerned departments attended the conference at various branch sites. Responsible comrades of various prefectures, counties and cities viewed and listened to the conference via television and telephone.

Li Peng said at the conference. He said: Since the beginning of this year, under the guidance of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee, all localities and departments have followed the overall policy of the whole party and whole country to "seize the opportunity, deepen reform, open up wider, promote development, and maintain stability," correctly handled relations between reform, development and stability, and strived to do a good job in various work. The general situation is good and is developing in the right direction. The series of policies and measures adopted by the party Central Committee and the State Council to actively promote reform, opening up, and development have demonstrated their great power in practice.

Li Peng pointed out: While affirming the achievements, we should also soberly see that, in the course of reform, opening up, and development in our country, there are some difficulties and problems. A relatively conspicuous problem at present is the excessive increase in commodity prices and the relatively great pressure of inflation. Owing to promptly taking measures for macroeconomic regulation and control, the tendency early this year for sharp increases in commodity prices has been largely contained, the increase in the prices of industrial means of production has been brought under control,

and the prices of most industrial products for daily use have been mainly stable. However, generally speaking, the level of increase in the retail price of commodities is still too high and it affects people's living conditions to a certain extent.

Li Peng pointed out: Practice in past years has proved that curbing inflation and maintaining basic stability of commodity prices are necessary conditions for smoothly promoting reform and maintaining a sustained, rapid, and healthy development of the national economy, and are important links in properly handling relations between reform, development, and stability. They are also constant and important tasks for governments at all levels. The State Council requires governments at various levels and all departments to take positive actions and firmly implement the following 10 measures:

- Governments at all levels must effectively shoulder the responsibility of stabilizing prices.
- Promoting agricultural production to increase the supply of essential products.
- Promoting the "vegetable basket" project to ensure the supply of nonstaple food.
- Setting up risk funds for grain and nonstaple food.
- Promoting reform of the circulation system to improve order in commodity circulation.
- Continuing to place the scale of investment in fixed assets under strict control.
- Strengthening the overall management of consumption funds to bring their excessive increase under control.
- Strengthening the management, supervision, and checking of commodity prices.
- Accelerating legislation concerning prices and persisting in bringing prices under control according to law.
- Giving play to the role of supervision by the masses and supervision by way of public opinion.

Li Peng said: At present, the domestic situation is very good. The reform is deepening, and the economy is developing steadily. The country has a fairly strong material foundation. Macroeconomic regulation and control and policies and measures for stabilizing commodity prices are being implemented and are playing an effective role. We are fully confident that we are able to check the excessive rise in prices. The party Central Committee and the State Council call on party committees and governments at all levels to regard the stabilization of commodity prices as an important matter concerning reform, opening to the outside world, and development, and to do this work firmly and well, striving to achieve initial results in the fourth quarter of this year and to score marked results in the first quarter

of next year. We are convinced that under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, that when the whole country, including those at higher and lower levels, unifies its thinking and works hard in a coordinated way, we will be able to effectively check inflation and stabilize commodity prices, create a better macroeconomic environment, and further advance reform, opening to the outside world, and economic development.

In his speech, Zhu Rongji said: Comrade Li Peng's speech embodies the overall interests of the work of the whole party and the whole country and embodies the State Council's overall work plan for the second half of this year. He pointed out: The current efforts to stabilize commodity prices mean stabilizing the overall interests of the work of the whole party and the whole country. Party and government cadres at all levels throughout the country should conscientiously study and implement the important speech made by Comrade Li Peng at today's conference and work hard in a coordinated way to resolutely bring down the excessive rise in commodity prices.

At the conference, Xiao Yang, governor of Sichuan; Zhu Senlin, governor of Guangdong; Wen Shizhen, acting governor of Liaoning; and Zhang Lichang, mayor of Tianjin Municipality, separately introduced the measures carried out in their respective areas to strengthen price management, check inflation, and stabilize market prices.

Responsible persons of relevant departments of the Central Committee and the State Council attended the conference at the main conference hall.

XINHUA English Reports Li Peng Speech

*OW0609164194 Beijing XINHUA in English 1620
GMT 6 Sep 94*

[Text] Beijing, September 6 (XINHUA)—The Central Committee of the Communist Party of China (CPC) and the State Council have decided to put the control of inflation on the top of their agenda in the rest of this year and well into next year, Premier Li Peng said here today.

The CPC Central Committee and the State Council are taking practical and efficient measures in an effort to slow down price rises as quickly as possible, the premier said at a State Council video-telephone conference on further control of prices.

The utmost efforts must be made to stabilize the prices of people's daily necessities to create a better environment for further deepening the reforms and improving economic development, he told the conference, which was chaired by Vice-Premier Zhu Rongji.

Also present at the meeting were Vice-Premiers Zou Jiahua and Li Lanqing, and other leading central and local party and government officials.

Premier Li said that the overall situation in China is now very good and a series of policies and measures the CPC Central Committee and the State Council have adopted are showing vigor in pushing forward the reform and opening-up policy.

He pointed out that there exist some difficulties and problems in the process of China's reform, opening-up and development, among which price rises and inflation stand out.

Earlier this year soaring price rises were basically put under control after timely macro-control measures were taken. But, generally speaking, the overall level of retail prices is still high and has somewhat affected people's lives, he said.

The retail prices index for the first seven months increased by 20 percent, while the consumption prices index rose by 22.4 percent.

Li said the overall price increase was pushed up by the rapid increase of prices for grain, vegetables, meat and other foodstuffs, and the high growth of prices for agricultural production materials, particularly chemical fertilizers and public services in many cities.

The premier said the price hikes were caused by many factors. The price increases during the fourth quarter of last year were responsible for about 10 percentage points of the price hikes in the first several months of this year.

The excessive investment in fixed assets caused an excessive increase in consumption funds and in total social demand, thus resulting in rises in production costs.

He referred to this as a major reason for price rises.

Li said the imbalance between the supply of and demand for some farm produce, natural disasters and other factors caused insufficient supplies of some of farm produce.

It was absolutely necessary to mobilize farmers' enthusiasm for grain production and promote agricultural development by raising grain purchasing prices, but this inevitably caused overall prices to rise, especially the prices of food, which have a direct bearing on people's everyday lives, the premier said.

State-owned businesses which failed to buy and sell enough basic necessities, such as grain, local governments' relaxation of control over prices and the activities of a small number of people who drove up prices were also responsible for the high prices.

Li noted that experience has proved that a crackdown on inflation and basically stable prices are musts for smoothly carrying out the reform and maintaining a sustained, rapid and healthy development of the national economy. He called on governments and departments at all levels to earnestly carry out the following measures:

- Fully undertake the responsibility to stabilize prices. The State Council should make it a major task of its overall economic work and an important target of macro-control to fight against inflation and stabilize prices. Neither the central nor the local governments should announce any price rise plans.
- Do a good job of agricultural production to increase supply.
- Do a good job of the "Vegetable Basket" project to ensure supplies of non-staple foodstuffs. Governors should be in charge of grain production and mayors should be in charge of "Vegetable Basket" projects. Policies supporting the vegetable production projects should be earnestly implemented. Efforts must be made to step up the construction of urban non-staple food centers, and stabilize and expand the amount of vegetable-growing land.
- The premier called for increasing vegetable, meat, pork, mutton, egg and sugar production, and supplies to large- and medium-sized cities.
- Establish a risk fund for grain and non-staple foodstuffs.
- Promote the reform of the circulation system and rectify the circulation order.
- Continue to control strictly the scale of investment in fixed assets.
- Strengthen the control of consumption funds.
- Strengthen price management and supervision.
- Accelerate the process of enacting laws concerning prices.
- Give full play to the supervisory role of the people and media.

Economic Commission Announces Goals for Next 6 Months

HK0509050294 Beijing ZHONGGUO XINWEN SHE
in English 0721 GMT 3 Sep 94

[Text] Beijing, September 3 (CNS)—After analyzing economic operation in the first half of this year and estimating problems possibly appearing in the second-half year, the Chinese State Economic & Trade Commission has recently raised the focal points of the comprehensive economic coordination in the country in the second-half year.

First, a proper growth in industrial output will be maintained. In the first-half year, growth of industry at township level and above was put at 16.8 percent, a comparative high rate in recent years, plus the growth of industry at village level, the industrial growth in the country in this period was nearly 20 percent. If such a rapid growth continues, the overstocking of products and shortage of capital will go deteriorating. Therefore,

in order to maintain a relative balance between demand and production in the second-half year, the Commission will take advantage of a fall in demand to slow down the rapid growth of industry.

Second, markets will be vigorously explored. The state will improve the linkage between production and marketing, limit industrial output, reduce product storage, promote sales and, through every means, raise the ratio of production and sale to over 95 percent within this year.

Third, the state will continue its policy of "strictly controlling loans for fixed asset investment and of greater flexibility in issuance of loans as working capital of enterprises". In the second half this year, the state will manage to quicken the turnover of capital for enterprises. The practice of clearance of triangle debts among enterprises will be spread and an industrial and commercial credit system will be established.

Fourth, the outstanding problems facing state-owned enterprises will be solved. At the moment the external operational environment of state-owned enterprises has seen an improvement and the tendency of increase of loss in enterprises has initially been curbed. However, problems enterprises face in their system and structure and their historical burdens are still remarkable. To solve these problems, more funds should be injected to enterprises, reform of enterprise should be further deepened and enterprise management should be strengthened. First, through deepening of reform, the state will further promote the change of operational mechanism of enterprises, regulate the structure of products, enhance technology advancement as well as raise enterprises' adaptability to and competitiveness in market. Second, while implementation of other supplementary reforms, the social security system will be further developed, improved and standardized in a bid to reform the basic enterprise structure, lessen enterprises' burden and strengthen their strength.

Central Officers View Next Year's Reform Goals

HK0509121394 Hong Kong WEN WEI PO in Chinese
3 Aug 94

["Special article" by staff correspondents Liu Yung-pi (0491 3057 4310), He Liang-liang (0149 0081 0081), and Yang Fan (2799 1581): "Macro-Regulation Has Reaped Results, While Micro-Controls Are Slated for Next Year—Officials From the Senior State Commission for Restructuring Economy View China's Economy"]

[Text] Beijing, 2 August—China's reform and opening up are in their 15th year. What have been the results achieved by the macro-regulation and controls proposed the previous year? How have development and reforms been doing so far this year, which has been described as the "most critical year"? What is the fate and future direction for state-owned enterprises as the focus and point of difficulty for all of the economic structural

reforms? How will China's economic reforms develop next year? He Guanghui [0149 0342 6540], Wang Shiyuan [3769 0099 0337], and Hong Hu [3163 5706], three deputy directors of the State Commission for Restructuring Economy who have played a key role in China's economic reformist effort to dismantle the old system to make way for a new one, today characterized and explained these questions.

In their evaluation of what reforms have achieved this year, they hold the view that, in the area of reforming the macro-management system, significant reformist measures have been successfully launched and have achieved outstanding results, results which are extremely important for establishing a socialist market economic system and a sound and workable macro-regulatory and control system, so much so that it can be said that a key, substantive, and decisive step has been made.

Reform of the Macroeconomic System a Success

Beginning in 1994, significant reform measures in financial, taxation, banking, foreign exchange, foreign trade, price, investment and capital-raising management systems were launched on a full scale.

Reforms in the financial and taxation systems have straightened out relationships between central and local authorities and the state and enterprises—a highly significant development for ensuring financial revenue. Reform of the banking system has strengthened the central bank's power and functions in the macro-regulation and control of the economy, thereby improving the financial order. Reforms in the foreign exchange and a foreign trade management systems have achieved the targets of a stable foreign exchange rate—that foreign exchange settlements would be larger than foreign exchange sales and there would be a higher growth rate for import and export trade—and have resulted in the establishment of a unified inter-bank foreign exchange market. Reforms in the pricing system have stimulated the formation of price mechanisms; for example, the grain price problem was solved due to corresponding reforms in the grain purchase and sales system, the establishment of grain risk funds, and the regulation of grain markets by means of state reserve grains, which stabilized the market and society and eased the people's concerns.

Macro-regulatory measures have achieved one success after another. A recent series of statistics from the State Statistical Bureau show that the national economy is developing in a sustained, rapid, and healthy manner, and this is the consensus of people from all circles, both within China and abroad.

Setting Up a Modern Corporate System

Tens of thousands of state-owned enterprises are facing grim challenges with the deepening of reform. Enterprises' longstanding debts, the social security funds for long-serving workers, placing and settling redundant

staff, and all the enterprises-funded social services are weighing heavily on state-owned enterprises. The persons in charge of the State Commission for Restructuring Economy have called for these enterprises to shed these burdens, travel light, and create favorable conditions so that they can compete with other economic sectors such as foreign-invested and township and town enterprises.

What are the prescriptions then? Where lies the way out? The answer: Deepen reform, transform operating mechanisms, set up a modern corporate system with clear property rights, well-defined powers and responsibilities, separate government and corporate functions, and scientific management.

The "two principles" (the general principles for enterprises financial affairs and the principles for enterprises' accounting practices) have unified the financial and accounting practices of all domestic firms as well as the income tax rates for domestic-capital enterprises and have standardized methods for tax exemptions and reductions, thus paving the way for state-owned enterprises to enter into the market to join in equal competition and do business along with other economic sectors. The so-called transformation of operational mechanisms refers to the adjustment of state-owned enterprises in a way that allows the market to play a greater role in determining their behavior.

The "company law" that went into effect on 1 July was a good try in exploring the way to establish a modern corporate system as a new business organization. The persons in charge of the State Commission for Restructuring Economy stated clearly that they will unveil and implement all the measures that they feel confident will work and put those they are not equally confident about through tests before unveiling them. The establishment of a modern corporate system is the objective for state-owned enterprises. Although it is a long process, they said that they are building a basic framework for the modern corporate system and believe that they will success through hard work, practice, and investigation.

Three Reasons Why Reforms Succeeded

The persons in charge of the State Commission for Restructuring Economy were satisfied with the perfect results achieved by the reforms. Unprecedented in degrees of difficulty, breadth, and depth, the significant reformist measures were nevertheless launched smoothly and are operating. This they attributed to the three following causes: One, there was the guidance provided by Deng Xiaoping's theory of building socialism with Chinese characteristics; there was the direction set by the central authorities of establishing a socialist market economic system; and there was the path of socialist development that had been mapped out to match China's practical conditions. Two, throughout, reform and development were linked with stability as the guiding principle for reform. Three, the method of meticulous design, gradualism, selected focuses, and

comprehensive progression was consistently insisted upon to correspond with the progress of the reforms.

The Outlook For the Upcoming Year Based on the Present Stage of Reform

Although this year has seen the implementation of the "company law" and pilot programs for the establishment of a modern corporate system—measures that concerned microscopic regulation and control—overall, the year can still be better described as one devoted to launching significant macroeconomic measures.

To match the macroscopic reformist measures launched this year, next year's reforms will be focusing on microscopic areas. Their main agenda will be to establish a modern corporate system, deepen reforms in state-owned enterprises, and address problems in two supporting systems for state-owned enterprises: The problems in reforming the social security system and the problem of fostering a market system for consumer and capital goods.

Reforms in microscopic regulation and control will deepen and become more elaborate, complicated, and specific. The persons in charge of the State Commission for Restructuring Economy will evaluate the economic situation in a manner of seeking truth from facts and review it in objective and unbiased fashion. They are confident about the prospects for next year's scientific and practicable plans—all these make people feel they are being reasonable when they believe that, under the leadership of such a group of leaders and reformers holding positions at the central and local levels, economic reforms will proceed from one victory to another.

More on Call To Control Prices

OW0609165994 Beijing XINHUA in English 1458
GMT 6 Sep 94

[Text] Beijing, September 6 (XINHUA)—The Central Committee of the Communist Party of China (CPC) and the State Council have decided to put the control of inflation on the top of their agenda in the latter half of this year and well into next year, Premier Li Peng said here today.

The CPC Central Committee and the State Council are taking practical and effective measures to slow down price rises as quickly as possible, he said at a national video-telephone conference on further control of prices.

Utmost efforts must be made to stabilize the prices of people's daily necessities to create a better environment for further deepening the reforms and improving economic development, he said.

The conference was chaired by Vice-Premier Zhu Rongji. Among those present on the occasion were Vice-Premiers Zou Jiahua and Li Lanqing and several State Councillors.

Senior officials of all provinces, autonomous regions and municipalities also attended the conference in various parts of the country.

Premier Li said that the overall situation in China is now very good and a series of policies and measures the CPC central committee and the State Council have adopted are showing vigor in pushing forward the reform and open policy.

He pointed out that there exist some difficulties and problems in the process of reform, opening-up and development. Of those, price rises and inflation stand out.

Earlier this year soaring price rises were basically put under control after timely macro-control measures were taken. But, generally speaking, the overall level of retail prices is still high and has somewhat affected people's lives, he said.

Li noted that experience has proved that basically stable prices are a must for smoothly carrying out the reform and maintaining a sustained, rapid and healthy development of the national economy. He called on governments and departments at all levels to earnestly carry out the following measures:

- Fully undertake the responsibility to stabilize prices.
- Do a good job of agricultural production to increase supply.
- Do a good job of the "Vegetable Basket" project to ensure supplies of non-staple foodstuffs.
- Establish a risk fund for grain and non-staple foodstuffs.
- Promote the reform of the circulation system and rectify the circulation order.
- Continue to control strictly the scale of investment in fixed assets.
- Strengthen the control of consumption funds.
- Strengthen price management and supervision.
- Accelerate the process of enacting laws concerning prices.
- Give full play to the supervisory role of the people and media.

"We are fully confident about putting price rises under control," Li said. "We believe that inflation will be brought under control and prices will be kept down under the leadership of the party central committee centered around Jiang Zemin and under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics."

Provincial governors from Sichuan, Guangdong and Liaoning, and the mayor of Tianjin addressed the conference on their experience in controlling prices and inflation.

Measures Against Rising Prices Described

OW0709102994 Beijing XINHUA in English 0817
GMT 7 Sep 94

["News Analysis" by Chen Xin: "Anti-Inflation on Top Agenda"]

[Text] Beijing, September 7 (XINHUA)—The Chinese Government has taken a series of urgent measures to curb rising prices nationwide, and the success of the move is viewed as a key factor in ensuring the smooth progress of the reform and economic growth while maintaining social stability.

Premier Li Peng told a national conference yesterday that to bring inflation under control would be a major task in economic work for a period of time.

Last month, the State Council, China's cabinet, issued a circular that asks all local governments not to make any new move to adjust prices this year.

Meanwhile, central government departments have taken swift steps to increase grain and edible oil supplies from state reserves to beat down market prices that had been rising in the past months.

Observers here say that keeping prices at reasonable levels will be important to remove people's worries in daily life and accelerate the progress of the economic reform.

They note that in 1992 China's economy witnessed over-heated growth which reached a peak level in the second quarter of last year, when the government had to tighten Macro-control to cool it down.

With the Macro-control measures taking effect, economic growth slowed down steadily this year but maintained a double-digit growth rate lower than that last year. Agricultural, financial and trade sectors are all turning for the better.

However, inflation has been growing. Official figures show that the retail price index, a major indicator measuring inflation, soared 21.4 percent in July over the same month of last year.

A breakdown of the figure shows that prices for means of industrial production and most manufactured goods for daily use remained stable, but prices for means of agricultural production went upward drastically. The biggest increase was seen in the prices for foods, which contributed 12 percentage points to the overall price hike of July.

"Should the trend remain unchecked, it would lead to chaos in economic order, damage the interests of consumers and exert a negative impact on social stability," said Zou Xiangqun, deputy secretary-general of the State Planning Commission.

In addition, the process of reforms in the fiscal, banking and foreign exchange systems, which contributes to the building of a market economy, would also be hampered, Zou said.

According to the state statistics bureau, currently three major factors are behind inflation, namely excessive growth in fixed-asset investment and consumption funds, shortage of some agricultural products due to floods and drought, and disorder in the circulation channel.

In view of these factors, Premier Li Peng announced a package of anti-inflation measures yesterday, including further lifting farm production to increase effective supply, setting up risk funds of grain and non-staple foodstuffs, reforming the circulation channel, continuing to control fixed-asset investment and consumption funds, and speeding up legislation on price control.

Economists here say that the package, that mainly includes economic measures supplemented by administrative means, is part of the economic reform and is conducive to the growth of a market economy.

They also note that the average income of both urban and rural residents has increased rapidly for the past few years, and most of them have better financial strength. At present, the market supply of about 90 percent of the daily consumer goods exceeds or equals demand, a result of past economic growth.

The government now has a better chance of success in the fight against inflation in comparison with the situation in 1988, economists say.

Premier Li Peng said yesterday that he was "fully confident" that the government would succeed in curbing the price hikes. The anti-inflation move would produce "an initial effect in the fourth quarter this year and a remarkable success in the first quarter next year", he said.

Securities Authorities Draft Regulations for Mergers

HK0409083694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4-10 Sep 94 p 3

[By Ren Kan: "Experts: Regulate Mergers"]

[Text] Securities authorities are drafting a set of regulations covering mergers of listed and unlisted companies.

The regulations intend to keep the country's developing securities industry on the right track. Existing Chinese regulations only supply general guidance on mergers of listed companies.

The situation has created room for some unstandardized activities in the listed companies' mergers. The China Securities Regulatory Commission recently gathered experts to study some of the merger cases.

Experts point out that some mergers have been completed contrary to international practice. And some of

the mergers involve unlisted companies, which are supposed to issue shares only to their employees. Such mergers violate State regulations.

From a legal perspective, merger contracts signed by these companies are invalid. In addition, the necessary assets appraisal and auditing have not been conducted before the mergers.

Furthermore, involved companies have not cleared their creditor's rights and liabilities before the mergers. Experts say all these activities violate the stock market's principle of openness, fairness and honesty.

The end result, they say, will be heavy burdens on the listed companies, ultimately harming the shareholders' interest.

In order to prevent other companies from following these unstandardized activities, experts said strict management should be applied to the mergers.

They suggested that new regulations being drafted should define the following issues clearly:

—Rules should determine the nature of the rise in the total amount of listed companies' shares resulting from mergers.

They suggest that increases in share amounts resulting from a merger should be treated as the same as new stock issue.

—Listed firms interested in merging with other firms should have to meet specific financial standards, in terms of assets, business performance and economic efficiency in order to ensure that listed firms really have the capacity to merge with other companies.

—Decisions should be made about whether the State shares, corporate shares and individual shares of the merged unlisted companies can be included in the listed companies at different prices.

—A set of operation procedures should be made for the listed companies' mergers. Those should include necessary assets appraisal and financial auditing.

Besides making rules, experts also suggested that securities authorities pay more attention to some other issues in the mergers.

They said the country should clearly define which institution can approve a company's merger.

Otherwise, the mergers will be managed by too many departments, which will result in unstandardized management.

And experts stressed that more attention should be paid to improving information disclosure of the mergers to safeguard shareholders' interests.

Authorities To Stop Poor Quality Imports

HK0609145594 Beijing CHINA DAILY in English
5 Sep 94 p 2

[By Wu Yunhe: "State Intensifies War Against Poor Imports"]

[Text] Commodities inspection authorities yesterday urged a collective effort to stop shoddy imports from entering the country.

Serious quality problems still exist in many imported goods—TV sets, air conditioners and refrigerators, in particular.

This is despite government efforts to enforce a tough inspection law enacted in 1989, according to the State Administration for Inspection of Import and Export Commodities (CCIB).

The latest official sample survey shows that about 20 per cent of the imported televisions have not yet passed customs inspection and lack CCIB's safety label. But they are already being sold on the market.

CCIB officials said the sample survey of 13 major provinces and municipalities was conducted by the CCIB, the State Administration for Industry and Commerce and the China Association of Consumers.

They noted that there has been some improvement in the quality of imported household electrical appliances this year.

However, inspection officials are not optimistic about this minor achievement because there are still shoddy imports sold on the market, they added.

Eight out of 10 foreign-made air conditioners sold in Shanghai does not have the CCIB safety label and are considered to have serious quality problems, the CCIB survey said.

Some of these shoddy imports are packaged handsomely and usually branded with famous foreign trademarks.

Famous brands

However, they were actually built with out-dated machines and sometimes lack necessary parts.

CCIB revealed that many famous international brands of air conditioners were covered in the survey.

Quality problems in imported household refrigerators were also serious, the CCIB officials said.

Some 40 per cent of the foreign-made refrigerators being sold in China lacked the CCIB safety label. The condition shows no improvement as compared with last year, the CCIB officials added.

Nation Implements 'Complete' Energy Conservation System

OW0209132794 Beijing XINHUA in English 1025
GMT 2 Sep 94

[Text] Xining, September 2 (XINHUA)—A complete energy conservation monitoring and technical service

system has taken shape in China, according to a recent national conference in Xining, capital of northwest China's Qinghai Province.

There are 70 energy conservation monitoring and technical service centers and more than 300 local energy conservation monitoring stations throughout China.

Energy conservation technical service organizations came into being in China at the beginning of 1980s.

Besides governments at all levels, some major corporations, including the China Nonferrous Metals Industry Corporation, the China National Petroleum Corporation and the China Aviation Industry Corporation, have formulated their own standards and methods for energy conservation.

The service centers have been working energetically to spread energy conservation products, technologies and materials. Many of the energy conservation products have become best-sellers on the market.

Regular Periodic Survey System Planned

OW0609181294 Beijing XINHUA in English 1614
GMT 6 Sep 94

[Text] Beijing, September 6 (XINHUA)—China will introduce a periodic survey system on such subjects as population, industry, agriculture, the service trade and basic calculating units, according to the State Statistics Bureau.

In line with requirements of building a socialist market economy, China has reformed the out-moded survey method of relying on dull monthly data forms and has begun to try on the construction of a rational state statistical survey system which focuses on frequent sample surveys on the basis of necessary periodic surveys and complemented by major surveys and scientific accounting.

Officials of the statistics bureau said they will widely use and spread sample survey skills so as to establish the leading position of sample surveys in the system of statistical surveys.

The period for conducting surveys on population, service trade, industry and agriculture will be once every 10 years.

XINHUA Carries Auditing Law

OW0209224094 Beijing XINHUA Domestic Service in Chinese 1213 GMT 31 Aug 94

[Text] Beijing, 31 Aug (XINHUA)—Auditing Law of the People's Republic of China [Adopted at the Ninth Session of the Eighth National People's Congress Standing Committee on 31 August 1994]

Chapter I General Provisions

Article 1. This law is formulated on the basis of the Constitution to strengthen the state's auditorial supervision, safeguard its financial and economic order, promote the building of a clean government, and ensure the healthy development of the national economy.

Article 2. The state implements a system of auditorial supervision. The State Council and local people's governments at or above the county level shall establish auditing organs.

Budgetary incomes and expenditures of departments under the State Council and of local people's governments and their departments at various levels; financial incomes and expenditures of state-owned banking institutions, enterprises, and establishments; and other budgetary and financial incomes and expenditures subject to auditing under this law shall receive auditorial supervision in accordance with this law.

Auditing organs shall exercise auditorial supervision over the veracity, legality, and efficiency of budgetary and financial incomes and expenditures listed in the preceding paragraph in accordance with the law.

Article 3. Auditorial organs shall exercise auditorial supervision based on the authority and procedures stipulated by law.

Article 4. The State Council and local people's governments at or above the county level shall submit to the standing committee of the people's congress at the corresponding level annual budget and financial incomes and expenditures auditing reports prepared by auditing organs.

Article 5. Auditing organs shall exercise auditorial supervision independently in accordance with the law and without interference from other administrative organs, social groups, and individuals.

Article 6. Auditing organs and personnel shall maintain objectivity and fairness, seek truth from facts, be honest, and maintain confidentiality in conducting auditing.

Chapter II Auditing Organs and Personnel

Article 7. The State Council sets up an Auditing Administration, which is responsible for the nation's auditing work under the leadership of the premier of the State Council. The auditor general is the administrative head of the Auditing Administration.

Article 8. Auditing organs of people's governments of provinces, autonomous regions, municipalities directly under the central government, cities with districts, autonomous prefectures, counties, autonomous counties, cities without districts, and districts directly under city governments shall be responsible for auditing work in their administrative areas under the leadership of the governor, autonomous regional chairman, mayor, prefect, or county or district head, respectively, and under the leadership of the auditing organ at the next higher level.

Article 9. Local auditing organs at various levels shall be accountable and report to the people's government at the corresponding level and to auditing organs at the next

higher level. Leadership over auditing work shall be exercised primarily by auditing organs at the next higher level.

Article 10. Auditing organs may take need as the basis in work to dispatch special auditors to areas within auditing jurisdiction.

Special auditors shall carry out auditing work in accordance with powers authorized by auditing organs and in pursuant of the law.

Article 11. Expenditures needed by auditing organs for carrying out duties shall be included in the fiscal budget of the people's government at the same level.

Article 12. Auditing personnel shall possess professional knowledge and administrative competence commensurate with the auditing work they are engaged in.

Article 13. While conducting audits, auditing personnel shall avoid conflicts of interests with audited units or items.

Article 14. Auditing personnel shall be obliged to keep confidential state secrets and audited units' commercial secrets, which auditors learn in the process of performing duties.

Article 15. Auditing personnel who carry out duties according to the law are protected by the law.

No organization and individual shall be allowed to reject or obstruct auditing personnel from performing duties according to the law, or to retaliate against auditing personnel.

Senior officials of auditing organs shall be appointed and dismissed according to the legal procedures; they cannot be arbitrarily dismissed if they do not violate the law or commit dereliction of duty or other acts showing incompetence.

Chapter III. Duties and Responsibilities of Auditing Organs

Article 16. Auditing organs shall carry out auditorial supervision over the implementation of budgets and final accounts and the management and use of extrabudgetary funds of all departments at the same level (including units directly subordinate to the government) and governments at the lower levels.

Article 17. The Auditing Administration shall, led by the State Council premier, carry out auditorial supervision over the implementation of the central government budget and submit a report on auditing results to the State Council premier.

Local auditing organs at various levels shall—led respectively by governors, autonomous regional chairmen, municipal mayors, and prefectural, county, and district heads; and by auditing organs at the next higher level—

carry out auditorial supervision over the implementation of budgets at the same level and submit a report on auditing results to the people's government at the same level.

Article 18. The Auditing Administration shall carry out auditorial supervision over the central bank's financial revenues and expenditures.

Auditing organs shall carry out auditorial supervision over assets, liabilities, and profits or losses of state-owned financial organizations.

Article 19. Auditing organs shall carry out auditorial supervision over financial revenues and expenditures of state institutions and organizations.

Article 20. Auditing organs shall carry out auditorial supervision over state-owned enterprises' assets, liabilities, and profits or losses.

Article 21. Auditing organs shall carry out periodic auditorial supervision, in a planned manner, over state-owned enterprises that have a direct bearing on the national economy and people's life, that receive relatively large financial subsidies or suffer considerable deficits, or that are designated by the State Council and the local people's government at the same level to be audited.

Article 22. Auditorial supervision over enterprises with state-owned assets occupying the holding or predominant position shall be stipulated by the State Council.

Article 23. Auditing organs shall carry out auditorial supervision over the implementation of budgets and final accounts of state construction projects.

Article 24. Auditing organs shall carry out auditorial supervision over financial revenues and expenditures of social security funds, social donation funds, and other relevant funds managed by government departments or government-authorized social organizations.

Article 25. Auditing organs shall carry out auditorial supervision over financial revenues and expenditures of aid and loan projects from international organizations or foreign governments.

Article 26. Other than audited items prescribed in this law, auditing organs shall carry out auditorial supervision over the auditing items required to be audited by other laws and administrative rules according to the provisions of this law and relevant laws and administrative rules.

Article 27. Auditing organs shall be empowered to conduct special auditing investigations of relevant local governments, departments, and units concerning special items related to state financial revenues and expenditures; and shall report auditing investigation results to the people's government at the same level and the auditing organ at the next higher level.

Article 28. Auditing organs shall define the scope of auditing jurisdiction based on the administrative authority over financial affairs or supervisory authority over state-owned assets of audited units.

Auditing organs at the higher levels may authorize auditing organs at the lower levels to conducting auditing of items prescribed from Article 18, Section 2 to Article 25, which are within the scope of their auditing jurisdiction; auditing organs at the higher levels may directly audit major auditing items which fall within the scope of the auditing jurisdiction of auditing organs at the lower levels. However, it is necessary to guard against unwarranted redundant auditing.

Article 29. All departments under the State Council and local people's governments, and state-owned banking institutions, enterprises, and establishments shall set up a complete internal auditing system in pursuance of the relevant state regulations. The internal auditing of all departments and state-owned banking organizations, enterprises, and institutions shall accept administrative guidance and supervision of auditing organs.

Article 30. Guidance, supervision, and management of organs conducting independent auditing according to the law shall be conducted according to the relevant laws and State Council regulations.

Chapter IV Auditing Organs' Power

Article 31. Auditing organs have the power to ask audited units to submit, in accordance with regulations, budgetary or financial income and expenditure plans, budget implementation reports, final accounts, financial statements, auditing reports prepared by public auditing organs, and other material relevant to budgetary and financial incomes and expenditures; audited units shall not refuse, procrastinate, or file false reports.

Article 32. In conducting auditing, auditing organs have the power to examine accounting vouchers, books, statements, and other material and assets relevant to budgetary or financial incomes and expenditures; audited units shall not refuse.

Article 33. In conducting auditing, auditing organs have the power to investigate relevant units and individuals concerning matters pertinent to audited items and to obtain relevant proof. Units and individuals concerned shall support and assist auditing organs in conducting work and shall truthfully report the situation to auditing organs and provide them with relevant proof.

Article 34. When audited by auditing organs, audited units shall not remove, hide, tamper with, or destroy accounting vouchers, books, statements, and other material relevant to budgetary or financial incomes and expenditures; and they shall not remove or hide assets obtained in violation of state regulations.

Auditing organs have the power to stop audited units from receiving or incurring budgetary and financial

incomes and expenditures in violation of state regulations; when auditing organs are unsuccessful in stopping audited units from doing so, they may, with the approval of persons in charge of auditing organs at or above the county level, notify financial departments and relevant competent departments to suspend appropriating funds directly related to budgetary or financial incomes received and expenditures incurred in violation of state regulations and to suspend the use of already appropriated funds. The adoption of this measure shall not affect audited units' legitimate operations and their production and business activities.

Article 35. Auditing organs shall propose to relevant competent departments to correct rules and regulations governing budgetary or financial incomes and expenditures stipulated by superior competent departments of the audited units and implemented by the audited units, if the auditing organs consider such rules and regulations in violation of laws and administrative regulations. When relevant competent departments fail to handle them, auditing organs shall request authorization to handle the matter in accordance with the law.

Article 36. Auditing organs may notify relevant government departments or make public of the results of auditing.

In notifying relevant government departments or making public of auditing results, auditing organs shall keep state secrets and business secrets of audited units confidential in accordance with the law and shall observe relevant State Council regulations.

Chapter V. Auditing Procedures

Article 37. Auditing organs shall form auditing groups based on items selected for auditing in accordance with auditing plans and shall send an auditing notice to units to be audited three days in advance of scheduled auditing.

Units to be audited shall cooperate with auditing organs and provide them with needed working conditions.

Article 38. Auditing personnel shall carry out auditing and obtain proof by such methods as examining accounting vouchers, books, and statements; reviewing documents and material relevant to items to be audited; inspecting cash, material objects, and negotiable securities; and investigating units and individuals concerned.

When investigating units and individuals concerned, auditing personnel shall present work certificates and duplicate copies of the auditing notice.

Article 39. Auditing groups shall submit auditing reports to auditing organs after items selected are audited. Comments on the auditing reports shall be solicited from audited units before they are submitted to auditing organs. Audited units shall send their written comments to auditing groups or organs within 10 days of the receipt of the auditing report.

Article 40. Auditing organs shall examine and approve the auditing reports, appraise audited items, and present their comments in writing. Auditing organs shall, within the limit of their legal authority, make auditing decisions or suggestions to relevant supervising organs on the handling and punishment regarding budgetary or financial incomes and expenditures which are in violation of state regulations and which require handling and punishment in accordance with the law.

Auditing organs shall send auditing comments in writing and auditing decisions to audited units and other units concerned within 30 days of the receipt of the auditing reports.

Auditing decisions shall take effect on the day of their delivery.

Chapter VI Legal Responsibilities

Article 41. When audited units, in violation of this law, refuse or procrastinate in supplying material relevant to items to be audited or when they refuse or obstruct inspection, auditing organs shall order them to rectify their action; they may also issue circulars criticizing them or give them a warning. Those who refuse to rectify their action shall be investigated in accordance with the law to determine their responsibilities.

Article 42. Auditing organs have the power to stop audited units from removing, hiding, tampering with, or destroying accounting vouchers, books, statements, and other material relevant to budgetary or financial incomes and expenditures once such actions are discovered.

When audited units commit acts described in the preceding paragraph, auditing organs shall, based on their judgment, propose administrative sanctions against persons in charge who have direct responsibility and against other personnel directly responsible for the acts. Audited units or their superior organs and supervision organs shall make prompt decisions in accordance with the law. Judicial organs shall investigate in accordance with the law to determine criminal responsibility if the action constitutes a crime.

Article 43. Auditing organs, people's governments, or relevant competent departments have the right to stop, within the limits of their legal authority, audited units from removing or hiding illegally obtained assets and to ask the court to adopt measures to safeguard the assets.

When audited units commit acts described in the preceding paragraph, auditing organs shall, based on their judgment, propose administrative sanctions against persons in charge who have direct responsibility and against other personnel directly responsible for the acts. Audited units or their superior organs and supervisory organs shall make a prompt decision in accordance with the law. Judicial organs shall investigate in accordance with the law to determine criminal responsibility if the action constitutes a crime.

Article 44. Auditing organs, people's governments, or relevant competent departments shall, within the limits of their legal authority and in accordance with the provisions of the law and administrative regulations, deal with acts committed by departments at the corresponding level (including units directly under them) or by governments at the lower level that contradict their budget; and with budgetary incomes and expenditures received or incurred in violation of state regulations.

Article 45. Auditing organs, people's governments, or relevant competent departments shall, within the limit of their legal authority and in accordance with the provisions of the law and administrative regulations, order audited units with incomes received or expenditures incurred in violation of state regulations to surrender, within a prescribed period, revenues that should have been delivered to the state; to refund, within a prescribed period, illegal income; and to return, within a prescribed period, illegally occupied state-owned assets. They may also adopt other corrective measures and mete out punishment in accordance with the law.

Article 46. Auditing organs, based on their judgment, shall propose administrative sanctions against competent persons in charge who have direct responsibility and against other personnel who are directly responsible for audited units' budgetary or financial incomes received and expenditures incurred in violation of state regulations; audited units or their superior and supervision organs shall make prompt decisions in accordance with the law.

Article 47. Audited units with budgetary or financial incomes received or expenditures incurred in violation of laws and administrative regulations shall be investigated in accordance with the law to determine their criminal responsibilities if their action constitutes a crime.

Article 48. Those who retaliate against or frame auditing personnel shall be investigated in accordance with the law to determine their criminal responsibilities if their action constitutes a crime; those whose action does not constitute a crime shall be given administrative sanctions.

Article 49. Auditing personnel who abuse their power, play favoritism, commit irregularities, or neglect their duty shall be investigated in accordance with the law to determine their criminal responsibilities if their action constitutes a crime; those whose action does not constitute a crime shall be given administrative sanctions.

Chapter VII. Supplementary Provisions

Article 50. Regulations governing auditing work of the People's Liberation Army shall be formulated by the Central Military Commission in accordance with this law.

Article 51. This law shall come into force on 1 January 1995. The "Regulations of the People's Republic of

China on Auditing" promulgated by the State Council on 30 November 1988 shall be revoked on the same day.

Daily Reports Hong Kong To Adopt Official Secrets Act

HK0709082894 Beijing CHINA DAILY in English
7 Sep 94 p 1

[By Sun Shangwu: "Secrecy Law Will be Kept After 1997"]

[Text] The British-compiled Official Secrecy Law will still be valid in Hong Kong after China resumes sovereignty over the territory in 1997 as it does not contravene against the Basic Law.

The three-part secrecy law was drafted by Britain separately in 1911, 1920 and 1989, according to Shao Tianren, head of the law panel under the Preparatory Committee for the Hong Kong Special Administrative Region (SAR).

Although Hong Kong is an open society, it still needs such a law to help keep secrecy, he said yesterday in Beijing after the conclusion of three-day meeting held by the law panel.

"In order to guarantee the smooth transition of Hong Kong, some British laws that do not contradict the Basic Law will continue to be valid after 1997," Shao said.

If suitable laws are not kept, a "vacuum" will appear and "this is not what we want to see," he said.

The law panel also discussed the revised draft on the current Hong Kong public security regulation, proposed by the territory's government.

The committee members agreed that the revised draft will weaken the power of Hong Kong administrative and police departments and is not conducive to the territory's peace and stability.

Feature Predicts Renminbi To Remain Strong, Stable

HK0609060994 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1133 GMT 5 Aug 94

["Special feature" by reporter Shao Ling (6730 7227): "Strange Phenomenon of Rising Renminbi Exchange Rate Despite High Inflation on the Mainland"]

[Text] Hong Kong, 5 Aug (ZHONGGUO TONGXUN SHE)—A strange phenomenon has appeared in mainland China's economy recently: Instead of devaluing, the exchange rate of the renminbi has risen steadily, despite the high inflation rate of 20 percent in the first half of the year. This has become a common topic in economic discussions.

In early August, the exchange rate of the U.S. dollar to the renminbi at the Shanghai China Foreign Exchange Center reportedly fluctuated between 1:8.6088 to

1:8.617, a few fen lower than the rate of 1:8.7000 set by the transaction center. This shows that, since the start operation of the free foreign exchange center, the renminbi has remained stable and risen steadily.

Due to the sharp increase in investment in mainland China's fixed assets and the large scale of credit in the latter half of last year, the huge deficits in foreign trade led to inflation, which predicated a major drop in the renminbi's exchange rate. The exchange rate at one time dropped to 11 yuan to \$1. Thanks to the measures adopted by the authorities to enforce financial discipline, increase the renminbi savings deposits rate, sell some foreign exchange to buy renminbi, and exercise macroeconomic regulation and control, the exchange rate of renminbi remained stable at the 8.8 level, which removed the obstacle that the foreign exchange system was posing to reform. When the official renminbi rate of 5.7 yuan to \$1 was merged with the 8.75 yuan to \$1 rate of the regulatory center in January this year, the average exchange rate of 8.7 yuan to \$1 was officially determined and regarded as the average rate for the China Foreign Exchange Transactions Center, which began operation in early April.

Over the past six months, people abroad predicted that, if the price of renminbi is set too high, it would result in another devaluation. Instead of dropping, renminbi rose steadily over the past six months. The rate was 1:8.07 in early April, 1:8.659 by the end of May, and 1:8.643 by the end of July, a rise of 0.057 yuan in four months.

An examination of the foreign exchange transactions in early August reveals that demand still exceeds supply. Unless anything special happens, it seems that the renminbi will continue its steady slight rise for the following reasons:

First, the mainland's anti-inflationary macroeconomic regulation and control program has had some effect. Since the beginning of the year, the authorities have adopted a series of measures to check inflation, such as strictly exercising control over the total amount of money supply, credit, and fixed assets investment. As a result, the growth in investment dropped remarkably compared with the same period last year. To get more working capital, many enterprises withdrew foreign exchange from their "small treasury" to exchange for renminbi, resulting in ample supply of foreign exchange in the market. Moreover, when the bank increased the interest rates, all kinds of savings deposits rose by a wide margin and the withdrawal of currency from circulation was normal. In addition, the authorities issued more treasury bonds to attract funds from the inhabitants, reduce the circulation of currency, and keep price increases within the people's bearing capacity.

Second, stimulated by the merging of the two renminbi exchange rates, which devalued the original official rate by 50 percent, the growth in exports far exceeded that of imports. In the first half of the year, a balance was maintained in imports and exports. Meanwhile, growth

in attracting foreign investment was maintained, and the actual amount of foreign capital used was higher than in the previous year. As a result, the foreign exchange reserves increased by \$10 billion.

Third, the U.S. dollar dropped recently on the international foreign exchange market. The U.S. dollar, particularly against the Japanese yen and German mark, has hit its record low since the end of the war. It is quite natural that the fall in the U.S. dollar will boost the slight rise in the exchange rate of the renminbi to the greenback.

Moreover, the mainland's economy increased rapidly during the first six months, there was an ample supply of goods at the market, and the increase in people's incomes exceeded price rises. According to statistics, the household income of 35 large and medium cities in the first half of this year rose 38.95 percent over the corresponding period last year, for an actual increase of 18 percent after deducting the inflation rate of 20 percent, which indicated that living standards improved somewhat. For this reason, there were no panic purchases despite the soaring prices. This was also one of the basic reasons behind the stable renminbi.

Thanks to the increase in this year's revenue, the decrease in foreign trade deficits, and assured foreign investment, mainland experts recently pointed out that foreign exchange reserves have risen to \$31.8 billion. The central bank has sufficient foreign exchange to regulate market supply and demand. Even if the peak of foreign exchange use approaches in the latter half of the year, it will not lead to a drastic fluctuation in the exchange rate of renminbi. Therefore, we have reason to believe that the exchange rate of the renminbi will remain strong. It is estimated that fluctuations will not exceed 0.5 percent.

More on Renminbi

OW0609175794 Beijing XINHUA in English 1506
GMT 6 Sep 94

[Text] Shanghai, September 6 (XINHUA)—The long-term target of China's reform of its foreign currency administration system is to realize the convertibility of the renminbi, and the short-term target is to realize its conditional convertibility.

Zhu Xiaohua, deputy governor of the People's Bank of China and director of the State Foreign Currency Administration, made the remark at an international symposium held today in this, China's financial center.

Conditions for the renminbi's free convertibility are not mature yet, he said, because relevant regulations and systems are incomplete in China and it will take time for the transformation of enterprise mechanism and the establishment of a modern banking system.

"That is why the short-term goal is to realize the conditional convertibility of the renminbi, which means that

control over payment in foreign currency for services concerning trade will be loosened," he said.

The enterprises' balance of foreign currency will be guided and regulated by state policies, and the foreign currency rate will be used to support the international balance of payments, he said.

The year 2000 is the deadline for China's pledge to realize the renminbi's convertibility. "We will gradually push ahead in accordance with the timetable," he said.

He explained that the loosening of control over foreign currencies is in conformity with the country's economic development and the development of the B-share and H-share markets.

Production Growth Causes Foreign Firms To Pay Higher Taxes

*HK0609144994 Beijing CHINA DAILY in English
6 Sep 94 p 1*

[By Wang Yong: "Production Growth Cause of Tax Rise"]

[Text] The nation collected 30 per cent more taxes from foreign-funded enterprises in the first seven months this year, without imposing extra financial burdens on them, according to a senior government official.

The surge in tax revenues from this sector, as well as from other businesses, was due primarily to the continuous growth in industrial production, according to Chen Lianbo, Director of the Foreign Tax Department of the State Administration of Taxation.

He denounced recent reports from Hong Kong alleging that China has increased the tax burden on foreign-funded enterprises as "a groundless distortion of facts."

Some Hong Kong newspapers have misinterpreted the 30 per cent growth in revenues as a "result of higher tax burdens," he said.

The reports attributed the alleged increase in the tax burden on foreign-funded enterprises to the introduction of a new taxation system at the beginning of this year.

The system replaced the old consolidated industrial and commercial tax with value-added tax, consumption tax and business tax on foreign-funded enterprises.

"The reform has actually reduced their turnover tax burden," Chen said.

Under the new system, about one-third of such enterprises have seen their tax burden lowered, one-third unchanged, and the other one-third increased.

But Chen said the State will give tax refunds to enterprises with increased burdens for up to five years, as long as they were set up before the end of last year.

And the State will not collect what is lost from enterprises that saw their taxes reduced, he added.

"I have heard of few complaints from foreign-funded businesses about increased tax burdens," he said.

In fact, their initial fears about a possible increase have been eased, he said.

Chen said there are three major reasons for the growth in taxes from foreign-funded enterprises from January to July.

First, the enterprises reported a substantial growth in industrial output in the period.

Second, the number of such enterprises increased, especially through the establishment of joint ventures between Chinese State-owned enterprises and foreign partners.

Third, many foreign-funded enterprises were subject to taxation after their tax breaks expired.

Macrocontrol Over Fixed Assets To Strengthen

*OW0609180794 Beijing XINHUA in English 1530
GMT 6 Sep 94*

[Text] Beijing, September 6 (XINHUA)—The Development Bank of China will continue to strength macro-control of investment in fixed assets in the latter part of the year, a bank official said this in an interview with XINHUA.

Pressurized by the quick growth of new projects to be launched later this year, he said, the bank will adhere to strict credit policies in giving out loans.

He stressed that the bank will strictly control the general scale of fixed-assets investment and issue loans strictly in accordance with the state guidelines in this respect and the state credit plan, exercising strict control over projects to be launched, while sorting out a group of small projects not listed in the state plan.

With strict control over new projects, the bank will divert loans to projects approved by the State Council to be launched within this year, he said.

In addition to giving priority to 107 state key projects in issuing loans, the bank will also make painstaking efforts to ensure financing for the 65 projects which are expected to begin production this year.

Shipping Industry Opening to Foreign Investment

*OW0609181194 Beijing XINHUA in English 1553
GMT 6 Sep 94*

[Text] Beijing, September 6 (XINHUA)—China's ocean and inland navigation has been developing fairly rapidly in recent years and will gradually open to foreign investment.

At present the country has nearly 400,000 civil navigation ships, amounting to 40 million DWT, according to official sources.

Of these, more than 20 million DWT are ocean-going ships, one of the biggest fleets in the world.

An official from the Ministry of Communications said that so far China's ocean-shipping fleets have visited more than 1,100 ports in over 150 countries and regions, and nearly 90 percent of the country's foreign trade commodities are transported by sea.

To date, China has 190 companies engaged in international shipping service, 1,300 companies engaged in coastal shipping and 4,100 companies engaged in inland navigation. Meanwhile, the number of berths along the coast and the Chang Jiang River exceeds 1,600, of which over 370 are deepwater berths capable of accommodating ships of over 10,000 DWT.

Lin Zuyi, president of the China Institute of Navigation, said that to fully tap the development potential of China's 18,000-km coastline and its 14,000-km island coastline, China's 18,000-km coastline and its 14,000-km island coastline, and its 14,000-km island coastline, the relevant authorities have drafted a program for systematic coastal port development.

He said that in recent years, along with the renewal of the fleets of China's shipping companies, more and more navigation, control, safety and telecommunications systems have been installed on ships and applied to management. The ocean-shipping companies, maritime groups and some major local shipping companies have installed gps systems, and many ships have adopted nautical distress safety systems.

Chinese researchers have successfully developed an electronic chart display apparatus and have used the technology in ship and port navigation safety control, he added.

In the meantime, China has also stepped up the establishment of maritime satellite earth stations and other shore-based supportive facilities, and will further perfect maritime search and rescue bodies and improve salvage measures, he said.

International co-operation in this field has seen impressive growth as well. By the end of 1993 China had signed 43 governmental maritime agreements. Apart from receiving loans from world financial institutions and foreign governments, substantial progress has been made in direct foreign investment in port infrastructure.

Lin said that China's maritime industry will take advantage of every good opportunity that is offered to broaden its international co-operation. In the field of infrastructure construction, the industry will resort to more foreign sources of financing and encourage joint ventures in the construction and operation of public docks and berths. It will also allow foreigners to lease docks without facilities and engage in stevedoring. In the field of transportation services foreign shipping companies will be allowed to issue bills of lading, canvass cargoes, settle accounts and sign contracts for their own vessels.

He said that the burgeoning of China's maritime industry is closely linked to the development of the international maritime community. While marching toward the 21st century, China will further expand its co-operation with the other maritime nations of the world.

Trade Office Predicts Stable, 'Fast' Economic Development

HK0309034894 Beijing ZHONGGUO XINWEN SHE
in English 1308 GMT 2 Sep 94

[Text] Beijing, September 2 (CNS)—According to a forecast issued by the Information Centre of the State Economic and Trade Commission, the stable and fast development of the national economy will continue in China in the third quarter this year.

The Information Centre's report predicts that the gross industrial output value of the third quarter in the country will reach RMB 1021 billion [renminbi], up 18.5 percent than the same period in 1993.

The growth of investment in the state-owned capital construction and in renewal and renovation items will slow down.

Retail value of the social consumer commodities will have a stable growth while the gross retail price index will remain stable or have a slight drop.

Import and export trade will continue its good performance with export expected to have an even more rapid growth.

There will be a basic balance in financial income and expenditure. In this quarter, income will be RMB 158 billion, an increase of 19 percent over the same period in 1993; expenditure is predicted to be RMB 158.5 billion, an increase of 33 percent. A stable financial situation is expected to occur in this period.

The report also points out that, in this period, the macro regulation and control drive in the country should stress on solving problems of prices, markets and enterprise efficiency. China should make a sustained effort to fight against inflation, to control all possible sources of inflation, to ensure a stable social and economic environment and to guarantee that reform measures are implemented successfully.

Government Reports Tax Revenue Rises

HK0709084994 Beijing CHINA DAILY in English
7 Sep 94 p 2

[By Qiu Qi: "Tax Revenue Rises by 27.9 Percent"]

[Text] The country's industrial and commercial tax revenue in July rose by 7 billion yuan (\$818.7 million), or 27.9 percent, over the same period last year.

Taxes collected by the central government increased by 26.2 percent, while those by local governments climbed

by 30.8 percent, according to a report by the State Administration of Taxation.

And 33.2 percent more industrial consumption and value-added tax was collected than last July.

Most of the 13 key industrial products, with the exception of steel, recorded tax increases.

The tax on crude oil rose by more than four times, and cigarettes, refined oil and coal tax revenues registered a respective growth rate of 83.8, 91.8 and 87.5 percent.

Customs collected nearly 95 percent more value-added and consumption tax imposed on imported goods since July.

However, commercial tax revenues fell for the first time this year. July's revenue was 7.4 percent lower than the corresponding period in 1993.

The fall came after a record performance last July, which was boosted by the government's decision to increase commercial tax by 2 per cent in May.

Unbalanced tax growth still persisted in various regions. Twenty out of the country's 44 taxation bureaux reported an increased tax revenue.

And the provinces of Heilongjiang, Jiangsu and Yunnan, as well as the Tibet Autonomous Region registered a more than 50 percent increase in industrial and commercial tax revenue in July compared with last year.

On the other hand, a shortage of enterprise funds and their tax debt still block tax collection, says the State administration.

By the end of July, enterprises in the country owed billions of yuan of industrial and commercial taxes, up from the beginning of this year.

Liaoning Province is behind the rest of the country in tax payment. By the end of June, the province's enterprises owed 4.4 billion yuan (\$510 million) in taxes, accounting for 27 percent of the country's total.

Other provinces, including Yunnan and Heilongjiang as well as Shanghai city, also reported a large number of enterprises with tax debts.

Mainly cigarette firms, refineries and petrochemical enterprises were behind with their tax payments.

The country is expected to strengthen its tax collection as well as the administration of central and local tax organizations in the latter half of the year.

Private Sector Growing 'Rapidly'

OW0709112594 Beijing XINHUA in English 0339 GMT 7 Sep 94

[Text] Beijing, September 7 (XINHUA)—The private sector in China set records in output value, turnover and retail sales in the first half of 1994, according to the State Statistics Bureau.

An official of the bureau said that during the period, the private sector scored an output value of 64.1 billion yuan, a turnover of 265.6 billion yuan and retail sales of 18.81 billion yuan.

Since the beginning of this year, the sector has been growing rapidly in manufacturing, transportation and restaurant industries, he said.

China had 18.87 million individually-run businesses at the end of June, up 22 percent over the same 1993 period, he said.

These businesses employed a total of 31.83 million people, a 27 percent increase, and had a total registered capital of 103.2 billion yuan, up 52 percent, the official said.

Paper Reports Industrial Growth for 1st Seven Months

HK0409084394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4-10 Sep 94 p 8

[By Jian Feng: "Industrial Growth Cut Significantly"]

[Text] China's industrial output value between January and July hit 2315.6 billion yuan (\$269.3 billion) at constant 1990 prices, 18.69 per cent more than during the same period of last year, according to the latest figures released by the State Statistical Information and Consultancy Service Centre.

Growth in the first six months was 18.7 per cent and in the first quarter, 18.55 per cent.

Capital investment growth has been trimmed remarkably but still remains huge in the first seven months of this year, a strong force behind the rapid industrial growth.

The report indicated that capital construction spending in the State-run industries topped 229.9 billion yuan (\$26.73 billion) in the January-July period, up 46.6 per cent over the same period of last year.

Of the total investment, 87.9 billion yuan (\$10.22 billion) went to projects under the administration of the central government—37.6 per cent more than in the same period last year, while projects under control of local authorities absorbed 141.9 billion yuan (\$16.5 billion), up 52.7 per cent.

In terms of investment category, 23.26 billion yuan (\$2.7 billion) went to apartment building projects, up 62.3 per cent, while fixed assets of the State-run industries grew by 73 percent to top 33.18 billion yuan (\$3.86 billion).

Technical renovation in the State-run industries in the first seven months absorbed 94.2 billion yuan (\$10.95 billion), up 40.2 per cent.

In industrial production in the January-July period, light industrial output jumped 20.56 per cent over the same period last year to hit 1098.5 billion yuan (\$127.73 billion), while heavy industrial output gained 17.05 per cent to stand at 1217.1 billion yuan (\$141.52 billion).

State-run industries in the period generated 1043.8 billion yuan (\$121.4 billion) worth of products, up 4.32 per cent, the report said.

Collectively-owned enterprises chalked up a 27.47-per-cent increase in the January-July period to 887.9 billion yuan (\$103.2 billion).

Of the total output made by the collectively-owned firms, 602.1 billion yuan (\$70 billion) was generated by plants in rural areas, up 42.6 per cent.

Foreign-funded enterprises and private firms reported an output of 383.9 billion yuan (\$44.6 billion) in the first seven months, an increase of 43.76 per cent over the same period in 1993.

	Unit	Output	Change (percent)
Automobiles	million	0.85	3.57
TV sets	million	16.17	3.02
Colour TV sets	million	8.61	20.04
Home washing machines	million	6.46	28.45
Home refrigerators	million	4.78	26.57
Yarn	million tons	2.93	2.6
Chemical fibres for garments	billion metres	1.34	25.4
Cigarettes	billion	971.3	3.0
Beer	million tons	8.66	10.8
Steel	million tons	53.79	6.42
Rolled steel	million tons	47.7	6.4
Sulphuric acid	million tons	8.32	10.13
Soda ash	million tons	3.31	12.0
Chemical fertilizers	million tons	13.36	8.8
Timber	cubic metres	22,596,000	0.2
Cardboard	cubic metres	2,924,000	7.1
Cement	million tons	220.9	10.6
Flat glass	million boxes	64.73	5.5

(1 box= 50 kg)

Paper Interviews Academic on Market Economy

HK0609135694 Beijing JINGJI RIBAO in Chinese
2 Sep 94 p 5

[Interview with Hu Daiguang (5170 0108 0342), professor in economics at Beijing University, by staff reporter Gao Shangang (7559 0810 4993): "Do Not Vulgarize the Market Economy"]

[Text] Editor's note: Hu Daiguang, native of Xindu County, Sichuan, was born on 5 May 1919. He graduated from the Wuhan University Department of Economics in 1944 with a bachelor's degree in jurisprudence. In 1947, he graduated from the Nanjing Central University Graduate School with a master's degree in economics. Between 1947 and 1949, he was a lecturer in the Hunan University Department of Economics. From 1953 onward, he began to teach at Beijing University and held posts as department head and president of the Department of Economics, was a member of the Seventh National People's Congress Standing Committee, and a member of the Finance and Economics Committee. He is currently a professor at the Beijing University School of Economics, a tutor to doctoral students, and director of the Foreign Economic Theories Research Institute of Beijing University. He also holds posts as vice president and secretary general of the China Foreign Economic Theories Research Institute, vice president of the China "Capital" Research Institute, permanent member of the China Monetary Institute, and vice president of the Beijing Municipal Economics Institute Headquarters. His major works are "Milton Friedman and His Monetarism," "A Critique of Theories of Inflation of the Modern Bourgeoisie," "Comments on Western Economic Theories and Econometrics," "Comments on Western Scholars' Research on Marx's 'Capital,'" and "Contemporary Western Economic Theories." [end editor's note]

[Gao] As an expert long engaged in theoretical work, what comments do you have on the present situation of China's current theoretical research?

[Hu] China is very quickly putting into practice the establishment of a socialist market economic structure and the situation is gratifying. By comparison, our theoretical research seems to be lagging behind and still cannot meet the needs of the times. It is precisely because we lack truly scientific research and correct understanding of market economy theories that some media and some localities have in fact vulgarized the socialist market economy or even distorted it.

[Gao] Could you give me an example?

[Hu] The following areas are more representative: First, some people maintain that macroeconomic control is not needed in the establishment of the socialist market economic structure and that they can do whatever they want or even go so far as to reduce or exempt revenue income and sell state land at low prices. They would also consider it a kind of "reform," or the embodiment of "emancipating the mind," to sell shares to their staff and workers at unreasonably low prices and adopt various preferential policies for enterprises in a nonstandard manner. They are making every effort to escape all restrictions from administrative management, laws, and regulations with a view to restoring the market economy back to a laissez-faire economy. This view or practice has gone much farther than the "laissez-faire economy

(which was a product of the times and was progressive at that time)" put forward by Adam Smith in the 18th century! When stressing his "invisible hand" theory, Adam Smith first of all pointed out: "Everyone should be allowed complete freedom to pursue his own interests with his own means as long as he does not violate the law." Moreover, he held that interest rates must be restricted by law, the minimum face amount of banknotes should be fixed for banks, compulsory primary education should be enforced, postal services should be managed by the state, and that the government should "give as much protection as possible to every member of society to keep him from harm or from being persecuted by others." Recently, the American economist Samuelson also said: "It would be a very big mistake if China practices a completely free market economy. I think the government's important role in the economy should be maintained."

Second, some people have asserted that augmenting macrocontrol and regulation has "magnified the centralized structure," hence, being incompatible with the theory that the "pursuit of the market economy will inevitably lead to decentralization." Such being the case, when the State Council began to strengthen and improve macrocontrol and regulation in the second half of 1993, they made a great show of being in earnest in calling for attention to prevent retrogression by taking advantage of macrocontrol and regulation and restoring the old centralized planned economic structure in disguise. In actual fact, such an argument is either from ignorance or is a misunderstanding. Back on the eve of 1 July 1993, Comrade Jiang Zemin emphasized: "To strengthen and improve the state macrocontrol and regulation is an important essence of building the socialist market economic structure as well as an important aspect in deepening reform. The market economy does not reject macrocontrol and regulation; it is imperative to have a complete, perfect, and powerful macrocontrol and regulation system." Later, in the "Decision By the Central Committee on Several Issues Concerning Building the Socialist Market Economic Structure" ["Decision"] it was indicated: "It is necessary to convert the government's function in managing the economy and build a complete and perfect macrocontrol and regulation structure with mainly indirect means"; "the main tasks for macrocontrol and regulation are, namely, to maintain the basic balance in the general volumes of the economy, to promote optimization of the economic structure, to guide the sustained, rapid, and healthy development of the national economy, and to push comprehensive social progress." All these tasks are the functions and rights for the government to play its role in the macroeconomic arena and the central government of any modern country has similar economic functions. Speaking in a truth-seeking way, why would the central government want to retrieve the power of centralization? Have not numerous facts demonstrated that all people in China's market

economy today are universally enjoying far greater freedom in their activities than in the planned economy?!

Third, some people have actively advocated the need to implement the central and local "two-tier macrocontrol and regulation," or "multitier macrocontrol and regulation, with the central as the key." In essence, such a concept is nothing but the offspring of the influence of the concept of the traditional planned economy. Today, when we are building a unified, open, competitive, and orderly socialist market economic system, the implementation of "two-tier macrocontrol and regulation" would not be basically feasible. Such being the case, the "Decision" correctly indicates: "The authority of macroeconomic regulation and control includes the issuance of banknotes, determination of base interest rates, regulation of exchange rates, and readjustment of important tax categories and tax rates, which must be centralized. This is out of the need to ensure the balance of the general volumes in the economy, the optimization of the economic structure, and the unification of the national market." Of course, because China is a vast country with a huge population, to give play to the enthusiasm of localities, various provinces, autonomous regions, and municipalities, they also have the authority to: "Formulate local decrees and regulations, policies, and plans based on state laws and decrees and macroscopic policies; regulate local economic activities through local taxation and budgeting; and to make full use of local resources to promote local economic and social development." This is also explicitly indicated in the "Decision"; however, this falls into the category of local economic management issues and is not an issue regarding the tiers of state macroeconomic regulation and control.

[Gao] Allow me to put in a word here: Theoretical circles indeed differ in their views on macroregulation and control. That is, for example, on issues such as whether or not macroregulation and control should be tightened and how they are going to be improved. On some of the issues, further discussion, within a certain range, is still desirable; however, in action, we must resolutely implement whatever the central authorities have decided on.

[Hu] Fourth, as long as the person is able to amass a vast fortune, he will be seen as a good model and lauded as a "distinguished entrepreneur," there being no consideration at all of matters of social goals and the means he employed in the process. Did not some of the much-lauded "distinguished entrepreneurs" fall into disgrace afterwards? Economists of international fame such as Schumpeter, Keynes, and Rostow all confirmed that none of the great and innovative entrepreneurs were ever simple pursuers of maximum profits; and many Western economists have pointed out that "entrepreneurs are defined as people specializing in providing policy decisions on scarce resources" and that "only when we approach the structural complexity of an economy and

models of developmental economies with complete justice can we correctly understand entrepreneurs." From this we can see that we cannot at all distort the title of "entrepreneur!"

Fifth, defying the constraints of all law and rules and regulations under the impression that market opening and price deregulation means doing away with management and overseeing by administrative departments. As a result, things were incredibly overpriced, trades dominated, markets were monopolized, and customers victimized. Surprisingly, some people applauded such behavior and credited them with displaying a "strong awareness of a market economy." A restaurateur in Shanghai had the effrontery to say: "I will set whatever price I like, now that there is a market economy." Such a distortion of the real essence of the market economy is certainly astounding! At present, "fair sales and purchases for the old and young alike"—a traditional Chinese commercial ethic—is not much in evidence, while fleecing customers and the sale of fake and inferior commodities are quite common. Despite sustained efforts to crack down on "fake goods," results have not been good and there have been occasions when "operations on fake goods" were staged and became "sham operations." How can any of these situations be tolerated by our socialist economy?

Sixth, some people did not proceed on the basis of our national situation and copied wholesale the capitalist market economy, even its failings. Yet, they defended themselves eloquently saying something like "developing the economy first and opposing corruption later"; or that "corruption was the 'necessary price' to pay for modernization"; that "just as we relied on the Red Women Detachment in pursuing the revolution in the past, we now rely on detachments of women to provide vice services [huang se 7806 5331]"; and "vice services are a kind of service which 'oils' the development of the economy." Obviously, with such misconceptions and misunderstanding, it would be surprising if people did not head toward and onto wrong paths!

Seventh, vendors pitch stalls and build commodity kiosks on thoroughfares and sidewalks or in back alleys, crowding the road and blocking access. Passers-by have to put up with piercing noise and awful smells. Such a situation, which needless to say pollutes the public-health environment and renders transactions disorderly, means that urban citizens who have paid urban construction fees and vehicle-owners who have paid road maintenance and license fees, will find their access blocked or jammed—can this be called a market economy of equitable exchange or fair payment?

[Gao] Some of the phenomena you described above have resulted from incorrect understandings of the market economy and, as such, cannot be blamed on the socialist market economic system itself. I think that as the market economy matures and management continues to be perfected, some problems will be resolved gradually.

Certainly we should not cast doubt on the market economy as the target model for reforms just because of a few distortions in understanding.

[Hu] In the progress toward the reform objective of achieving a socialist market economic system in a smooth and rapid manner, and in order not to be led into detours and avoid paying unnecessary prices, we must understand and practise Comrade Deng Xiaoping's theory of socialism with Chinese characteristics in a comprehensive, systematic, and accurate fashion and consistently give play to the spirit of unifying the emancipation of the mind with seeking truth from facts. Only thus can we genuinely seize opportunities, deepen economic reforms, and speed economic development.

Economist Interviewed on Anti-Inflation Moves

OW0609220994 Beijing BEIJING REVIEW in English
No 36, 5-11 Sep 94 pp 8-10

[Interview with economist and NPC Standing Committee member Liu Guoguang by staff reporter Jiang Wandu; place and date not given]

[Text] This year, three problems top the government economic agenda—market establishment, unemployment and inflation. Harsh inflation, which has been galloping to double digits, is surmounting others to be the main headache. Is inflation really a terrifying phantom? How long will it haunt? Should the central government adopt drastic measures to curb it? Will tight macro-control cripple high-speed economic development? Chinese economic circles are split into two sides over the questions. Liu Guoguang has his explanations.

Liu is one of the country's leading economists. He took the post of vice-president of Chinese Academy of Social Sciences before retirement. He is now a special adviser of the academy and a member of the Standing Committee of the National People's Congress.

QUESTION [Q]: What do you think of the current inflation problem? Is it serious?

ANSWER [A]: Yes, indeed. The situation is by no means encouraging. General increases in retail prices soared to 19.8 percent during the first half of this year and the figure is even higher in some large and medium cities despite the central governments efforts to curb it through macrocontrol measures.

Q: Why haven't the anti-inflation efforts triggered last year paid off yet? What are the fundamental causes?

A: There are three major driving forces which contribute to high inflation. The first is excessive demands and over-loose credit. Economic growth in China has entered a boom period since 1992 when the increase rate reached 13 percent. Total investment in fixed assets rose by 70 percent last year and remained at 25.2 percent in the first half of this year.

The second impetus is the comprehensive price reform which was launched last year. A sharp climb in costs of raw materials such as grain, petroleum, coal, electricity and some services resulted in an overall increase of price of commodities. This is called the cost-driven factor.

The third factor is market chaos. Prices of various goods go up immediately following the announcement of new tax regulations. This behaviors [as published] show essential variations. Some producers take advantage of the occasion by lifting prices; some hikes derive from misunderstanding of the new rules; some are driven by rising costs of goods in a sector; and some hinge on a trade monopoly.

Measures have been taken by the central government since the middle of last year to cool down the investment fever. The fact that these efforts do pay off is proved by the decline of total investment in fixed assets. Nevertheless, economic theory tells us that declines in prices usually lag behind other variables for about half a year. Therefore, the current high inflation is merely a result of the retarding effect of prices.

Q: How do you view the determination of the central government to curb inflation? Is it really indispensable?

A: I believe that the central government's decision to fix anti-inflation as a principal goal is right. With high inflation, chaos has appeared in China's economic life. For example, enterprise profits and losses can not be reflected accurately. Funds are desperately short in most enterprises. Prices exceed interest rates. As a result, negative interest rates have appeared which are resulting in an even worse situation of inadequate funds. All these factors are blocking our reform drive.

Q: Where should the government put its hands first to tackle the inflation problem?

A: First of all, community consumption and investment in fixed assets should continue to be put under tight control. At the same time, credit means should be employed more often to control inflation. In addition, there should be no comprehensive introduction of new laws and regulations related to prices. The process of price reform should be gradual and steady. And finally, the price order should be well trimmed.

Q: How hard is the government engaged in the program? Are there any blocking factors?

A: Certainly. The government finds itself in dilemma now and then. On the one hand, it should tighten money supply to curb inflation, while on the other hand, it is pressed by enterprises (particularly state-owned ones) which desperately need funds to ease supply.

Q: Which do you believe is the appropriate way out?

A: Fine trimming in macrocontrol is better. That is to say, control should tighten and loosen in turn from time to time, and policy differ toward different enterprises and fields. For example, the policy toward agriculture,

export-oriented production and market competitive firms should be relatively loose, while that directed toward enterprises with no profits and real estate speculators, development zones and stocks should be tight.

Q: What is your prediction for the latter half of this year? Will high inflation linger?

A: In the latter half of this year, factors caused by excessive demand are expected to shrink further due to government efforts to improve the macrosituation for more than had a year. Moreover, we can see that the so-called price retarding effect will fade away. The authorities have become cautious about being too impatient to release too many laws and regulations related to prices in a short period. [sentence as published] Their determination to ably trim the financial market and price order is obvious. Support for agriculture and devotion to the, so-called "vegetable-basket project" will still top the government agenda. Since the rising prices of agricultural products account heavily for inflation, agricultural improvements will no doubt help alleviate the tension.

It is anticipated that inflation will be reduced to 12 or 13 percent by the end of this year. Thus, the overall figure for 1994 will average about 15 or 16 percent, which is still much higher than the 10 percent targeted by the government early this year.

Q: Will the government stick to the current tight policy?

A: While continuing to conduct fine trimming, with say flexible macro-control, the government should relatively ease credit a little since a serious market shortage looms large. Therefore, in the latter half of this year the government should pay more attention to enterprise difficulties and the inadequate market supply thus maintaining the current fair speed of economic growth.

Q: Does the government hold an identical view with you over the question?

A: I believe that policy makers hold approximately the same view as mine at present because they are well aware that this is a unique approach to guarantee that the economy accelerates at minimum cost and it is in the long-term interest of the Chinese people. The only exception might be if they yield to pressure from two sides. The one side calls for swift weighting down of inflation to below 10 percent, which is very likely to lead to a stalled economy. In contrast, the other side, behind which stands many interest groups, has been lobbying for an overall easing of credit. If their view meets with a warm reception, another tide of economic overheating would reappear before the economy achieves the soft-landing from its high-flying period that is desperately needed for its long-term steady development.

Q: By the way, may I have your opinion on the argument, which is also recently pervasive in China's economic circles, that high inflation is inevitable alongside

high growth of economic development and the government decision to strengthen central control might merely bring about setback to our reform?

A: A high rate of economic growth does not have to go hand in hand with high inflation. The experiences of many countries support this conclusion. Take Malaysia. While enjoying 9 percent economic growth, its inflation rate is kept below 3 percent, thanks to a satisfactory macroeconomy.

No economist opposes mild inflation, say, below 5 or 6 percent. But can't we say that two-digit inflation is too high to tolerate? Every Chinese economist who has a cool head knows well how China is vulnerable to largescale inflation. We should not forget 1988. The government took the point of view that inflation was harmless and let yokes be unleashed from prices. Consequently, overheating and chaos in the economy resulted in political disaster and, then, a tremendous setback which lasted for about four years.

Q: Some economists have warned of the possibility that the fight against inflation might give rise to unemployment. What is your explanation?

A: According to recent figures issued by the State Statistical Bureau, the urban unemployment rate in the early half of this year was only 2.6 percent. I think these Chinese economists are Keynesians who always worry most about unemployment and stagnation. But these anxieties are out of the question at the present time. The situation of China is entirely different from that of the West. In the West, a dearth of general need is always the top problem while in China supply shortages remain a main headache.

Q: Among the three major levers—the market, law and executive, which one is playing a bigger role in the current macro-control approach?

A: We have to say that the executive method is employed more extensively by the government. This is because the necessary market mechanism has not yet matured. High inflation precedes the national establishment of a system of central and commercial banking. Legislation and enforcement of relevant laws are far from satisfactory and thus legal means remain weak.

Q: Is it possible that overdependence on executive methods may bring back a planned economy?

A: Quite possibility, unfortunately. [sentence as published] This is also the reason why we should curb inflation in time. If it is unleashed further and eventually goes out of control, the government might have no choice but to rely entirely on executive means to put the situation under control. This could be a scenario to which no one could look forward.

Economic Information Exchange Center Established

OW0509171994 Beijing XINHUA in English 1430 GMT 5 Sep 94

[Text] Beijing, September 5 (XINHUA)—A center for exchanging economic information among different enterprises in China was established recently.

According to the "China Petrochemical News", the center was jointly initiated by the Shibida International Investment Corporation of Shenzhen and the China Industrial and Commercial Enterprises Consultancy Service.

The center will help link information networks at home and abroad, and promote co-operation and exchanges concerning idle production capacity among different enterprises and direct investment in projects which need funds.

It will also be of great importance for promoting the adjustment of China's stock assets structure and rational disposition of resources, according to the newspaper.

The center will also set up agencies in Hong Kong, the U.S. and Europe.

Economy Outstrips Targets, Creates Pressures

HK0409080594 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4-10 Sep 94 p 1

[By Wu Yunhe: "High-Intensity Development Shows No Sign of Cooling"]

[Text] Like a good bet on the horse track, China's much-watched economy is expected to post double-digit growth this year.

Economists with the Commercial Information Centre under the Ministry of Internal Trade predict 12 percent growth in the country's gross domestic product (GDP) for 1994.

While impressive, compared to the world's economy, the gains pose special challenges for China. They were against government wishes for single-digit growth—considered more sustainable and putting less pressure on prices and wages.

Adding to the pressure, major indicators such as inflation, fixed assets investment, consumer spending and per capita income are all expected to surpass the government's planned targets this year.

The Internal Trade Ministry's Commercial Information Centre, which monitors daily domestic trading activities, believes factors such as robust demand for investment, excessive industrial production and inadequate agricultural production conspired to boost the national economy.

The economists noted that the country's economic development is to some extent relying on fixed assets investment, which is considered the most dangerous culprit spurring inflation.

China's fixed assets investment, they predicted, will reach 1,500 billion yuan (\$174.4 billion) this year, up 27 per cent from 1993.

Stimulated by the investment boom, retail prices are expected to chalk-up an increase of 18 per cent nationwide this year.

Heavy spending on fixed assets puts increased sums in the pockets of concerned institutions and workers, increasing their buying power, the centre's economists explained.

This year, consumer spending should reach 1,520 billion yuan (\$176.7 billion), up 24 per cent from last year.

To stem the inflation, the government announced recently that no new price reform measures will be initiated in the latter half of this year.

Urban per capita income will continue to see an inflation-adjusted increase of 10 per cent to reach 3,100 yuan (\$360) in 1994, and rural per capita income is expected to hit 1,100 yuan (\$128) this year, an increase of between 5 per cent and 6 per cent, the economists said.

Examining commodities in the Chinese market, the centre said only 15.9 per cent of them are in short supply, most of which are agricultural products.

The centre's economists pointed out that, along with a drop in crop harvests this summer, a supply shortage of grain, cotton, edible oil, meat, sugar and vegetables is taking shape in China.

Though there has been an increase in edible oil acreage this year, the country will still have to import some edible oil products to supplement the domestic supply shortage, the centre believed.

Because of the persistent price rises of corn—the major material for animal feed production—pork production costs have increased, making farmers reluctant to breed pigs.

Rocketing pork prices have already scared many consumers away.

XINHUA Carries 'Economic News Briefs'

OW 2808091594 Beijing XINHUA in English 0832
GMT 28 Aug 94

["Economic News Briefs"]

[Text] Beijing, August 28 (XINHUA)—Today's economic news in brief.

Dust Burning System

The Pudong New Area in eastern Shanghai is going to set up the country's first dust burning system.

The area will also build a toilet from which marsh gas will be piped out for use.

New Medical Instrument

Doctors in southwest China's Sichuan Province have developed a new medical instrument which uses air pressure to treat the patients.

Applying traditional Chinese medical practices, the instrument is designed for family use.

Economic Negotiation

Some 2,000 businessmen from Japan, Singapore, Hong Kong, Macao, and Taiwan are expected to take part in an economic negotiating conference to be held in Weihai city in east China's Shandong Province in September.

Free Trade Zones Attract Over 6000 Enterprises

OW0509160794 Beijing XINHUA in English 1448
GMT 5 Sep 94

[Text] Beijing, September 5 (XINHUA)—Waigaoqiao Free Trade Zone, a window of China's open policy, had attracted altogether 1.042 billion U.S. dollars of foreign investment by the end of August, the largest among all the free zones in China, according to a Shanghai-based newspaper.

By now, China's 13 free trade zones have established over 6,000 enterprises, half of which are overseas-funded, with 8.8 billion U.S. dollars in foreign investment. Of that, 3.4 billion U.S. dollars are solely overseas-invested.

Shanghai's Waigaoqiao Free Trade Zone alone had attracted more than 1,000 companies with a total investment of 2.29 billion U.S. dollars. 1.042 billion U.S. dollars are invested by overseas businesses.

State Pours \$250 Million Into Tianjin Automaker

HK0409080694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4-10 Sep 94 p 2

[By Qi Che: "State Aid for Top Automaker"]

[Text] China will pour \$250 million into the country's only Chinese wholly-owned passenger car production line in a bid to boost capacity to 150,000 units per year.

Expansion of the Charade-model production line in Tianjin will lead the city's industrial expansion in the next five years.

According to the Tianjin Automotive Industry Corporation, five plants, including the Tianjin Mini-Vehicle Factory, will be expanded with the \$250 million injection.

Tianjin exploits automaking technology and equipment introduced several years ago from Japan's Daihatsu, part of the Toyota group.

China's other auto manufacturing plants are joint ventures with Germany's Volkswagen, France's Citroen, America's Chrysler and Japan's Suzuki.

Selling for 80,000 to 100,000 yuan (\$9,250 to \$11,560) on the domestic market, the Tianjin Charade meets Chinese requirements for family use and is regarded as an excellent taxi.

At present, 60,000 units are assembled in Tianjin per year.

Vice-Minister of Machinery Industry Sun Changji said the manufacturing project will be wholly owned by the government.

According to Sun, the multi-million project is designed to make Tianjin the centre of gravity in China's automaking industry, with the ultimate goal of transforming the country into an international automotive power.

Expansion of the Tianjin Mini-Vehicle Factory began in August this year.

By pumping huge sums of money into the industry, the government expects to cultivate at least six car assembling centres by the end of next year.

Three or four of the six will be targeted to receive further State support to turn them into automotive giants.

Despite rumours earlier in the year of an impending Japanese joint-venture effort at the Tianjin plant, the Chinese automaker will go it alone backed by China's more than 40 years' automaking experience.

Construction at six cities where the centres are to be based is being accelerated. By the end of next year, each of the centres will be capable of assembling 150,000 cars a year.

A general assembly line has recently been put into operation at a joint venture in Changchun in Jilin Province between the First Automobile Works (FAW) and Volkswagen.

The FAW-Volkswagen venture, designed to absorb an investment of 8.9 billion yuan (\$1.03 billion), has thus far assembled 26,000 Jetta-model cars.

Details on Stock Market Communications Network

HK0409083894 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4-10 Sep 94 p 3

[By Zhang Xingbo: "Stock Exchange Installs Satellite Communications Network"]

[Text] Shenzhen—A nationwide two-way satellite communication network began relaying Shenzhen's market indications and quotations last week.

The world-wide updating data transmission network is the largest of its kind in China.

The system's main station is located in the Shenzhen Stock Exchange, with sub-stations scattered throughout the country.

The main station can handle a total of 3-10 million information requests and the smaller ones a total of 10,000-100,000.

"Stockbrokers from across the country can get the latest stock information and make their deals through the network at the same speed as those doing business in Shenzhen," said Wang Hou, general manager of the Shenzhen Securities Satellite Communication Co Ltd, manager of the system.

The company was jointly set up last year by the Shenzhen Stock Exchange, China Space Technology Research Institute, China Communication and Satellite Broadcasting Company and the Shenzhen branch of China Agricultural Trust and Investment Corporation.

Since the exchange's founding in 1990 as one of the country's only two nationwide securities markets, obstructed communication between the stock market and stock brokers in other parts of the country have restrained development.

To create a fair investment environment, the Shenzhen Stock Exchange entrusted China Communication and Satellite Broadcasting Company in 1993 to set up 400 broadcasting reception stations nationwide.

Through the system, customers outside Shenzhen can receive stock quotations and transaction acknowledgement.

"The network has undoubtedly pushed the automation work of the stock market to a new stage," said system manager Wang.

According to Wang, 102 stockbrokers from outside Shenzhen have completed the installation work of their customer stations.

On the first day of operation, Wang said, the whole network received 11,469 entrustment requests from customer stations, with 49,906 transactions concluded.

Statistics on the following day showed that, although only 34 customer stations were used, the transaction volume through the network accounted for 27 per cent of the stock market's total.

To date, more than 270 securities dealers from outside Shenzhen have applied to use the system.

Notice Urges More Effective Price Supervision by Workers*HK0609070494 Beijing RENMIN RIBAO in Chinese 5 Aug 94 p 1*

[By Staff Reporter Fei Weiwei (6316 0251 0251): "State Planning Commission and All-China Federation of Trade Unions Issue Joint Notice on Further Strengthening Workers' Supervision Over Prices"]

[Text] To bring into full play the positive role of workers in supervising prices, the State Planning Commission and the All-China Federation of Trade Unions a few days ago issued a joint notice calling on all localities to further strengthen workers' supervision over prices.

Since 1980, workers in various localities have exercised supervision over prices. By late last year, a total of 7,000 price-supervising stations manned by 60,000 workers had been set up across the country. These stations played an active role in helping the government identify those who violated rules and regulations on prices and deal with them, protect consumers' interests, and ensure smooth price reform.

In the notice, the State Planning Commission and the All-China Federation of Trade Unions pointed out that the contingents of workers in charge of supervising prices constitute an important auxiliary force of the institution responsible for checking up on prices. In the process of setting up a market economy, price supervision by workers serves as an important means through which the government exercises indirect control over prices, so the supervision must be strengthened rather than weakened. All levels of price control departments and trade unions must strengthen their leadership over the work by sending competent cadres to join the leading bodies responsible for the work and by regularly studying and solving problems arising from the supervisory work. Price inspection bodies and trade unions should send full-time personnel to take care of the routine work of the price-supervising stations. The stations should focus on prices of goods and charges for services that are indispensable to the people's lives. At present, the stations should focus on prices of "vegetables," "rice," and "fuel" and designate the following as their key tasks: implementing the "Regulations on Supervising and Examining the Prices of Goods and Charges for Services Indispensable to the People's Lives"; pursuing the system requiring businessmen to put goods on sale with the prices clearly marked; and finding out whether grain and oil are sold at marked prices. In the meantime, they should organize forces to carry out regular inspection of market prices.

The notice also called on workers' price supervision organizations to continue the working method of integrating market supervision with supervision within the enterprise, improve the case-handling procedure, and act according to the law. All localities should take effective

measures to solve practical problems arising from the supervisory work and to strengthen the ranks of supervisors as a whole.

Mudanjiang Location Ideal for Economic Zone*HK0609152894 Beijing CHINA DAILY in English 3 Sep 94 p 1*

[By Sun Shangwu: "Mudanjiang Poised for Role in Economic Zone"]

[Text] Mudanjiang—This hub of Northeast China's Heilongjiang Province is stepping up its drive to capitalize on its strategic position in the ambitious transnational development of Asia's northeast economic region.

Situated only 340 kilometres from Russia's Pacific Port of Vladivostok, Mudanjiang is poised to serve as a vital link between the vast North Asian continent and the Pacific Rim countries.

The so-called Northeastern Asian region covers Northeast China, Japan, the Korean Peninsula, Mongolia and the far-eastern areas of Russia.

At the top of Mudanjiang's development agenda is the renovation and construction of infrastructure. Over the last two years, the city has pooled 850 million yuan (\$98 million) to improve its two border ports, Suifenhe and Dongning.

The projects are expected to double Port Suifenhe's handling capacity from 1.5 million to 3 million tons, and to increase Dongning's volume from 100,000 tons to 500,000 tons.

Meanwhile, the city also has cooperated with Russia in sea-to-land transportation. The first batch of cargo transported from China to Japan went via Vladivostok in June.

Mudanjiang, which has built the eastern section of the Harbin-Suifenhe Highway, has gathered 56 million yuan (\$6.4 million) for the project.

The municipal government has also approved the construction of a local railway in Dongning County.

According to previous reports, the United Nations Development Programme (UNDP) plans to invest \$30 billion to develop the Tumen River area, a 15,000-square-kilometre economic zone next to the city.

Once developed, Mudanjiang will inevitably benefit from the region's Vigour.

Our work is now aimed at building Mudanjiang into an international economic and trade city," said Mayor Yang Guojun.

The city is already linked by railways expressways and air with Harbin, Shenyang, Dalian, Beijing, Guangzhou and Shanghai, as well as with Russia and Japan.

In addition to being close to Vladivostok, Mudajiang is only 500 kilometres away from Zhaluino. The two ports face the Pacific Ocean and the Sea of Japan.

City officials are optimistic about developing trade with Eastern Europe, Japan, the Republic of Korea, the Democratic People's Republic of Korea and Southeast Asia by taking advantage of their unique geographic location.

Currently, the city's business with Russia comprises the lion's share of its foreign trade.

The city signed 163 economic and technical co-operation contracts with Russia last year absorbing 1.14 billion yuan (\$132 million). Last year the city also established 28 Sino-Russian joint ventures with a total investment of \$15.88 million.

The city has developed business contacts with 70 countries and regions, including Russia, Japan, South Korea, Hong Kong and Macao.

To sharpen the competitive edge of its enterprises, the city government has allowed more enterprises to handle foreign trade.

Statistics Bureau Buys Right To Use Computer Software

OW0209161994 Beijing XINHUA in English 1433
GMT 2 Sep 94

[Text] Beijing, September 2 (XINHUA)—In a bid to boost the protection of intellectual property, the State Statistics Bureau announced today it will take the lead in buying from a company the right to use computer software.

The bureau said that all its subordinate units across the country will be equipped with the Ucdos software developed by the Beijing Hope Computer Company.

According to experts in the computer industry, this is the first time that governmental organs have bought from enterprises the right to use computer software.

A few years ago China's computer market was in chaos, lacking a law to protect software copyright.

The experts said that China produced over 450,000 microcomputers last year, but most of its software products were provided by the hardware manufacturers.

They spoke highly of the State Statistics Bureau's taking the lead in buying from enterprises the right to use computer software.

According to the experts, in addition to the State Statistics Bureau, other governmental organs are also planning to buy the rights to use software from the Beijing-based company.

Smaller Enterprise Study Center Set Up

OW0709112794 Beijing XINHUA in English 0340
GMT 7 Sep 94

[Text] Beijing, September 7 (XINHUA)—A new institute has been set up here to study and serve small and medium-sized enterprises throughout China.

The institute, the Small and Medium-Sized Enterprise Study Center attached to the Chinese Academy of Social Sciences, will study various questions concerning the development and management of such enterprises, and propose measures to help solve problems facing such enterprises.

The center will also draw on positive experience in managing smaller enterprises in other countries in a bid to form theories of managing such enterprises in line with specific conditions in China.

Wang Luolin, vice-president of the Chinese Academy of Social Sciences, serves as honorary director of the center, and Zhang Zhuoyuan, director of the academy's Industrial Economics Institute, as the director.

Official Outlines New Copyright Protection Regime

HK0309063494 Hong Kong SOUTH CHINA
MORNING POST in English 3 Sep 94 p 10

[By Josephine Ma]

[Text] Beijing had stepped up its crackdown on copyright piracy by strengthening co-operation between three government departments, a Chinese official said yesterday. Under the "Audio Video Products Protection Regulation", to be issued by the State Council next month, the production distribution and copyright supervision of cassette tapes, videos and compact discs would be dealt with by different departments, said Director of the China Copyright Society, Wu Shulin, yesterday.

Mr Wu, who is leading a delegation to Hong Kong, said a committee would be set up jointly by the Ministry of Culture and Ministry of Radio, Film and TV to censor all cassettes, videos and CDs. The Press and Publication Administration would be responsible for controlling production and the National Copyright Administration would be put in charge of copyright supervision, he said. The regulation also requires the three departments to halt production of videos, cassettes and CDs in their 94 subordinate companies and factories, according to Mr Wu.

Mr Wu said China had increased penalty for copyright violators in June, and offenders could face sentences of between two and seven years. Seven copyright courts had been set up in cities such as Shanghai, Guangdong, Fujian and Hainan. New allegations were received almost every day, he said.

Mr Wu stressed the Government had banned the setting up of new CD production lines while existing ones had to be inspected. Four CD production lines in Zhejiang, Guangdong and Hainan had been suspended in the recent national check-up. However, Xinhua (the New China News Agency) reported the setting up of a new production line capable of making 6,000 CDs a year in Anyang city, Henan province. Four million [currency not specified] had been invested in this production line, which is expected to end the country's dependence on imported CDs.

Firms Found 4,500 Joint Ventures Overseas

OW0509143894 Beijing XINHUA in English 1323
GMT 5 Sep 94

[Text] Beijing, September 5 (XINHUA)—China had started over 4,500 joint ventures overseas by the end of last year, nearly 400 of which were established last year, according to a Shanghai-based newspaper.

According to the paper, 65 percent of the 270 enterprises listed on the Shenzhen and Shanghai Stock Exchanges have started overseas operations, and several dozens of them have been approved by ISO (International Standard Organization) 9000 in quality control.

In Shanghai, China's largest industrial city, a radio paging company started business operations in Latvia. Another two shopping centers opened stores in Canada, Russia and Sweden.

Overseas operations have built a favorable image for Chinese enterprises abroad and played an important role in global economic development, the paper said.

In the past, most Chinese enterprises concentrated on exports and tourism development. The recent growth in overseas operations, the paper said, marks China's rapid development in multinational operations.

Success Against Smugglers in 1st Half of Year Reviewed

OW0609181394 Beijing XINHUA in English 1602
GMT 6 Sep 94

[Text] Beijing, September 6 (XINHUA)—The Chinese customs at different localities on the coast cracked 207 maritime smuggling cases in the first half of this year.

To effectively fight the increasingly rampant sea smuggling, the customs authorities have set up more organizations and employed more people, and increased the use of advanced equipment, improved their information network and increased the number of sea patrols.

As a result, they seized smuggled goods worth 290 million yuan in the first six months, including 176 cars, 3,153 air-conditioners, 3,952 compressors, 1,312 TV sets, 1,118 video-recorders, 3,924 printers and 2,045 mobile phone sets.

Medicine Containing Tiger Bones Destroyed

OW0609105794 Beijing XINHUA in English 0323
GMT 6 Sep 94

[Text] Nanning, September 6 (XINHUA)—A total of 577 boxes of medical plasters containing tiger bones were publicly destroyed on September 2 in this capital of southwest China's Guangxi Zhuang Autonomous Region, the "GUANGXI DAILY" reported.

Earlier this year rhinoceros horns and tiger bones were destroyed in Zhanjiang City in south China's Guangdong Province and Harbin, capital of northeast China's Heilongjiang Province, home of the Manchurian tiger.

Tiger bones and rhinoceros horns are used as ingredients in traditional Chinese medicine.

Officials from the State Import and Export Administration's Office of Endangered Species witnessed the operation in Nanning.

The plasters, which were illegally produced in Chongqing in Sichuan Province, were intercepted in Guangxi on their way to markets in Fujian and Guangdong Provinces.

According to the State Council regulations, it is illegal to produce medicine containing elements of tiger bones or of other endangered species.

China To Search For Needed Minerals Abroad

HK0609145194 Beijing CHINA DAILY in English
6 Sep 94 p 1

[By Xie Yicheng: "China Set To Explore Abroad for Minerals"]

[Text] Chinese geologists plan to travel beyond national boundaries to explore and exploit mineral resources through multilateral co-operation.

While inviting foreign counterparts to participate in mining development in China, Chinese experts will also seek to join other countries in searching for useful minerals abroad.

"Such closer teamwork will help China narrow the widening gap between demand and supply in mineral resources," Minister for Geology and Mineral Resources Song Ruixiang said yesterday in Beijing.

He said the nation's continuous economic growth, projected at 8-9 per cent annually, faces serious shortages in crude oil, sylvite and copper, and an inadequate supply, of iron, manganese, lead, zinc and aluminum.

Armed with mature technology and talent, we are ready to promote risk exploration in chosen places to tap urgently needed resources," Song said.

Chinese geologists are currently helping Iran with a chemical survey and prospective mining of gold, and taking part in the re-exploration and re-development of used oil fields in Peru to boost their yield.

"On the other hand, foreign investors are encouraged to detect and dig both onshore and offshore mineral resources in territories under Chinese jurisdiction," Song said.

The latest development will allow foreigners to explore low-grade and refractory gold deposits.

"But they are required to pay resource compensation fees just like Chinese firms, while a set of clear-cut rules governing their operations in China will be unveiled in the near future to guarantee their legal rights," Song said.

China has recently implemented 28 co-operation projects with a spate of firms from Australia, Canada, US, Britain, Japan and Republic of Korea in the domain of solid minerals.

In the offshore and onshore oil industry, Song said, such collaboration have lasted 15 years with 60-odd projects underway, most of which have attained very good results.

State Council Urges Increased Local Agricultural Production

*OW0509150594 Beijing XINHUA in English 1354
GMT 5 Sep 94*

[Text] Beijing, September 5 (XINHUA)—Local governments have been urged recently to step up agricultural production to make up for losses in grain and cotton caused by this summer's droughts and floods.

A notice issued recently by the General Office of the State Council said a bumper harvest nationwide is still possible if adequate measures are made to improve management of autumn crops.

Severe natural disasters in some parts of most provinces and autonomous regions have been very unfavorable to the fulfillment of the national agricultural production targets set early this year, the notice said.

It ordered local governments and farmers to strive for high grain production this autumn, urging the south to make use of idle cultivated land, expand the amount of sown areas for autumn crops as much as possible, improve per unit yields, and increase vegetable production.

Local governments and cotton producers were also urged to pay more attention to cotton production and control over cotton diseases.

Commerce, power and railway departments and banks were also asked to jointly support agricultural production by supplying adequate agricultural production materials, the notice says.

According to the notice, during the coming winter and spring, local governments and farmers should repair water conservancy projects damaged by this summer's floods and invest more in water conservancy.

China's summer grain production suffered a slight drop over the same period last year because of reduced acreage under cultivation and droughts and floods.

Top 500 Rural, Township Enterprises Named

*OW0609180694 Beijing XINHUA in English 1523
GMT 6 Sep 94*

[Text] Beijing, September 6 (XINHUA)—The State Statistics Bureau has named the 500 top rural and township enterprises in China, according to their 1993 sales volumes.

Figures of the bureau show that the average annual sales volume of the 500 top enterprises reaches nearly 200 million yuan, almost 1,700 times the average level of rural enterprises in the whole country.

Each of the 500 enterprises owns fixed assets worth at least 40 million yuan, 1,400 times the figure for the average rural or township enterprise, the statistics show.

The 500 enterprises employ 1,330 workers on average, 270 times the average number for rural enterprises.

Nearly half of the 500 top enterprises operate in the form of companies, and nearly one fifth are group companies, a result of fierce market competition, said officials from the bureau.

Though 95 percent of the 500 enterprises are located in coastal areas where the economy is growing faster than anywhere else, many enterprises from inland provinces, such as Sichuan, Henan, Shanxi, Jilin, Heilongjiang and Yunnan, are also on the list, the officials said.

East Region

Anhui's Shouxian County Develops Tourism Industry

OW0409151094 Beijing XINHUA in English 1303
GMT 4 Sep 94

[Text] Hefei, September 4 (XINHUA)—Shouxian County of east China's Anhui Province, which has a history of 2,200 years, has been striving to develop the tourism industry.

Shouxian County, situated on the southern bank of the Huaihe River, was capital for the Chu Kingdom during the spring and autumn and warring states period (b.c.770-b.c.221).

The county, listed by the Central Government as one of China's oldest historic and cultural places, has made pains-taking efforts in recent years to protect and exploit its rich cultural resources as a way to attract tourists.

The establishment of a museum is just part of the endeavor. The Shouxian Museum houses more than 1,000 pieces of historic and cultural relics, including utensils of spring and autumn period (b.c.770-b.c.476), gold coins of the Chu Kingdom, gold and silver coffins of the Song Dynasty (960-1279).

As more tourists are traveling to Shouxian, the county also works hard to develop tourist food with local flavors.

Anhui Governments Make Efforts To Hold Down Food Prices

OW0309161294 Beijing XINHUA in English 1544
GMT 3 Sep 94

[Text] Hefei, September 3 (XINHUA)—Governments at all levels in east China's Anhui Province, one of the country's leading grain producers, are making efforts to hold down price rises of grain, edible oil, meat and vegetables.

In many places, including this capital of the province, the prices of foodstuffs have decreased about 10 percent so far this year.

Governor Fu Xishou said that between January and July the province saw soaring prices, especially those of grain, edible oil, meat and vegetables, and the living standard of the local people was affected.

Government analysts said that the province's stockpiles of such daily necessities are abundant. The inflating prices were caused by market disorder and panic because of the long drought in the province.

At present, governments at or above the county level have set maximum prices for such commodities and at the same time tightened control over relevant wholesale and retail deals.

In addition, state-run grain stores are called upon to carry out the provincial government's regulations to prevent price rises and speculation using substandard grain.

Fujian: International Fair To Attract Foreign Funds

OW0309144694 Beijing XINHUA in English 1417
GMT 3 Sep 94

[Text] Fuzhou, September 3 (XINHUA)—In a bid to attract more overseas investment to boost local economic development, an international fair focussing on foreign co-operation is to open next month in this capital of east China's Fujian Province.

A local foreign investment official told a press conference here that the fair will open October 4 and close October 31.

The official said that the city is planning to seek overseas co-operation in infrastructure, agriculture, tourism and technical renovation of state-owned enterprises.

He said that the number of major co-operation projects is estimated at 21, including the 59-km Fuzhou-Xiamen Expressway, a 251-km railway line from Fuzhou to Wenzhou, the Luoyuanwan Coal-Fired Power Plant, the 60-ha [hectare] Gushan New Town and a tourism development zone.

On the list of cooperative projects are also 118 state-owned enterprises that need technical renovation, covering the electronics, machinery, chemicals, paper, textiles, garments and metallurgy industries.

The official said that by the end of July this year the total number of foreign-funded projects had topped 3,450. To date, more than 1,400 of these projects are operational, and over 30 countries and regions throughout the world have invested in Fuzhou businesses.

He said that the total foreign investment in the first seven months of this year reached nearly 600 million U.S. dollars, a sturdy 43 percent rise from the same period of last year.

And the gross industrial output value of the foreign-funded enterprises in the first seven months topped 10 billion yuan, an increase of 67 percent.

Exports from foreign-funded enterprises during the same period are double the figure for last year.

The official said that the city has redoubled its efforts to perfect the investment climate for foreign businesses.

Fujian's Mountainous Areas Attract Foreign Investment

OW0609142094 Beijing XINHUA in English 1315
GMT 6 Sep 94

[Text] Fuzhou, September 6 (XINHUA)—Mountainous areas in southeast China's coastal Fujian Province have

attracted a large amount of overseas investment, giving a new boost to the local economy.

During the first seven months of this year the three mountainous Prefectures of Sanming, Longyan and Nanping alone have made use of a combined foreign investment of 132 million U.S. dollars—more than double that invested last year.

Officials from the provincial government said that some large consortiums, including the China Banking Corporation, have started to invest in the areas.

Favorite investment fields include such infrastructure projects as hydropower stations and a cement plant.

The officials said that local governments in these areas, which are rich in forest and mineral resources, have enacted preferential policies for overseas investment.

Infrastructure facilities, including roads, electricity supply, transportation, telecommunications and residential buildings have been much improved over the past few years, they said, becoming part of the attraction for overseas investors.

Fujian Power Station Brings New Generator On Line

OW0209165-04 Beijing XINHUA in English 1507
GMT 2 Sep 94

[Text] Fuzhou, September 2 (XINHUA)—The third electric power generator unit of the Shuikou power station in east China's Fujian Province went into operation at 6:31 p.m. [1031 GMT] today, some six months ahead of schedule.

The 200,000-kw generator unit is one of the seven generator units to be installed at the power station, located in Minqing County on the Minjiang River. The first two units have been running well.

The largest hydropower station in east China, the Shuikou power station, with a total installed capacity topping 1.4 million kw, is expected to be completed in 1995, with a total investment of 5.6 billion yuan, including 240 million U.S. dollars in World Bank loans.

The power station was jointly constructed by Chinese and Japanese companies. The first generator went into operation in August 1993.

Former Vice Minister Named Acting Jiangsu Governor

OW0309060294 Beijing XINHUA Domestic Service in Chinese 0438 GMT 3 Sep 94

[Text] Nanjing, 3 Sep (XINHUA)—In its sitting today, the ninth meeting of the Standing Committee of the Eighth Jiangsu Provincial People's Congress appointed Zheng Silin as acting Jiangsu provincial governor. Chen Yuanyou will no longer hold the post of Jiangsu provincial governor on a concurrent basis.

Born in May, 1940 and a native of Jiangsu's Wuxian County, Zheng Silin possesses academic qualifications equivalent to university level. He was former vice minister of the Ministry of Foreign Trade and Economic Cooperation and deputy secretary of the ministry's leading party group. An alternate member of the 14th CPC Central Committee, he was appointed deputy secretary of the Jiangsu Provincial Party Committee in August 1994.

Zheng Silin Becomes Jiangsu's Acting Governor

OW0309062194 Beijing XINHUA in English 0606
GMT 3 Sep 94

[Text] Nanjing, September 3 (XINHUA)—Zheng Silin was appointed acting governor of East China's Jiangsu Province in line with a decision made at the Ninth Session of the Eighth Provincial People's Congress today.

And Chen Huanyou will no longer hold the concurrent post.

A native of Wuxian County, Jiangsu Province, Zheng was born in May 1940, and has a background of college education.

He once served as a vice-minister of foreign trade and economic cooperation and deputy secretary of the Communist Party of China (CPC) group of the ministry. He is an alternate member of the 14th Central Committee of the CPC.

He began to hold the post of deputy secretary of the CPC Jiangsu Provincial Committee last month.

Jiangsu 'Boom Town' Expands Foreign Cooperation

OW0509075994 Beijing XINHUA in English 0634
GMT 5 Sep 94

[Text] Suzhou, September 5 (XINHUA)—Suzhou, a boom town in east China's Jiangsu Province, is expanding foreign economic and technical cooperation.

A survey shows that the city concluded 33.65 million U.S. dollar labor service contracts in the first six months of this year, an increase of 36 percent over the same period of last year.

Suzhou is known for its ancient gardens and tourism spots.

Not long ago, the city contracted for building a miniature landscape featuring the scenery of the south of the lower reaches of the Chang Jiang river in the United States.

So far Suzhou has approved the establishment of 273 foreign-funded enterprises, of which 117 have gone into production. Many of these enterprises are playing an important role in Suzhou's export-oriented economy.

An official of the city committee of foreign trade and economic cooperation said that the city expects to conclude 60 million U.S. dollar labor service contracts and approve the establishment of additional 60 foreign-funded enterprises this year.

It will expand foreign economic and technical cooperation with up to 70 countries and regions by the end of this year.

Foreign Loans Used To Develop Polders in Jiangsu

OW0509075894 Beijing XINHUA in English 0629 GMT 5 Sep 94

[Text] Beijing, September 5 (XINHUA)—Lianyungang in east China's Jiangsu Province has succeeded in developing polders with loans from the World Bank, according to the INTERNATIONAL BUSINESS NEWS.

A survey shows that 5,000 rural households cultivating 5,119 hectares of fruit production bases have obtained an average annual income of 3,500 yuan per household, and 580 households raising 381 hectares of laver (*porphyra* spp.) gained an average annual 12,000 yuan per household.

Lianyungang has a vast area of polders that need development.

In 1988, the World Bank approved of a report on evaluating projects for the development of China's coastal polder areas.

According to the report, Lianyungang plans to build 1,396.67 hectares and transform 1,559.33-hectares of ponds for breeding prawn, construct two hectares of ponds for eels, grow grape on 534 hectares, Chinese hawthorn on 3,500 hectares and Chinese chestnuts on 1,300 hectares. In addition, the city will build two fruit processing factories.

All these required a sum of 129.548 million yuan including 17.412 million U.S. dollars loaned by the World Bank.

"This was Lianyungang's largest agricultural projects funded with foreign capital," a local official noted.

When these projects go into full operation, they are expected to produce additional 2,538.25 tons of prawns, 50 tons of eels, 15,750 tons of Chinese hawthorn, 8,010 tons of grape, and 2,925 tons of Chinese chestnuts.

Jiangxi Governor Attends Local Tax Bureau Ceremony

HK0509121094 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 25 Aug 94

[Text] The Jiangxi Provincial Local Tax Bureau was officially set up in Nanchang today. A number of provincial leaders officiated at today's ceremony, including

[Governor] Wu Guanzheng, Shu Shengyou, Wang Zhaorong, Liao Yanxiong, and Provincial Government Secretary General Zhu Yingpei. Shu Shengyou and Wang Zhaorong delivered speeches at today's ceremony.

The separation of state tax bureaus from local tax bureaus is at once an important organizational guarantee for establishing a new finance and revenue structure and a crucial condition under which a separate revenues system can operate.

The newly established provincial local tax bureau will focus on the following tasks:

1. Publicizing, implementing, and carrying out the relevant state or provincial revenue laws, regulations, and policies;
2. Levying and managing taxes in accordance with the law;
3. Cracking down on revenue-related criminal activities, such as tax evasion and tax avoidance;
4. Using local revenue to regulate the macroscopic economy;
5. Supervising and inspecting local revenue collection and management;
6. Fulfilling and overfulfilling local revenue quotas, and so on.

A comrade in charge of the newly established provincial local tax bureau spoke at today's ceremony, saying: After being officially established, local tax institutions at all levels across the province will strive to strengthen management, levy taxes in accordance with the law, efficiently manage local revenue, actively push forward the ongoing tax system reform, and successfully fulfill and overfulfill the province's local tax quotas.

State, Local Tax Bureaus Set Up in Jiangxi

HK0609060194 Nanchang JIANGXI RIBAO in Chinese 26 Aug 94 p 1

[By correspondent Chen Saiwen (7115 6357 2429): "Jiangxi's Local Tax Bureau Opened for Business"]

[Text] Following the establishment of the Jiangxi Provincial State Tax Bureau, the provincial government announced in a press briefing held on the morning of 25 August the official establishment of the province's Local Tax Bureau. Wu Guanzheng, Shu Shengyou, Wang Zhaorong, Liao Yanxiong, and Zhu Yingpei were present at the briefing to pay their compliments, while the State General Administration of Taxation [SGAT] wired its regards.

Shu Shengyou pointed out in his address: In recent years, tax organs at all levels across the province, as well as tax personnel, have borne the brunt of the work burden and have worked hard to raise funds for national construction. They have contributed much to Jiangxi's economic

development. He stressed: The establishment of state and local level tax institutions was an important step by the Central Committee and State Council. Party committees and governments throughout the province, as well as all tax cadres, must follow the set direction, resolutely implement the central decree, and do their best in the work to establish two separate tax institutions. Local financial departments and concerned departments must support the work of the Local Tax Bureau wholeheartedly.

With the separation, the province's Local Tax Bureau will come under a management system of dual leadership by the provincial government and the SGAT, with the former assuming the main burden. The bureau's main duties are: To campaign for the implementation of state and relevant provincial laws, rules, regulations, and policies concerning local taxation; firmly pursue taxation work according to the law; crack down on tax evasion and tax fraud; exercise the regulatory function over local taxes for the economy as a whole; manage local tax collection work; inspect and supervise tax payments; complete local tax collection missions as planned or in excess of plans; conduct studies on tax sources; draw up local tax collection schedules; actively participate in local economic activities; pursue local tax collection cadres' political and ideological education and their professional training; vigorously promote the clean government drive; raise cadres' quality; and complete any work missions assigned by tax authorities at higher levels.

The person in charge of the province's Local Tax Bureau stated that long-term missions call for planned and systematic steps, and active pursuit. In the near term, arduous and active effort is needed to build and perfect a hierarchy of local tax organs across the province, and to speed up and deepen the progress of tax reform so that tax collection, which consists mainly of arranging for collecting tax payments, can be pursued normally. "Establishing separate tax institutions" can increase tax revenue and ensure the completion of annual local tax collection missions.

Shandong Governor's Remarks on Economic Development

SK0609073494 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 5 Sep 94

[Text] Correctly handling the relations of reform, development, and stability, further deepening reforms, expanding opening up, and carrying out activities on increasing production, practicing economy, increasing revenue and reducing expenditure, and promoting a sustained, rapid, and sound economic development in the entire province were the issues repeatedly stressed by Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, during his inspection to Yantai and Weihai cities.

From 29 August to 4 September, accompanied by responsible comrades of Yantai and Weihai cities, Zhao

Zhihao travelled to Yantai, Weihai, Penglai, Longkou, and Laizhou to conduct investigation and study and to inspect their work. Wherever he went, Zhao Zhihao asked in detailed about the progress of the activity on increasing production, practicing economy, increasing revenue, and reducing expenditure. He said: It is necessary to regard this activity as a long-term task, carry it out deeply and lastingly, and always grasp it firmly. In the future, the efficiency targets such as the sales rate and the profit-tax rate should be regarded as the major economic targets for evaluating the work of various districts, trades, and enterprises. This year the sales rate of industrial enterprises at and above the township level across the province must reach more than 96 percent.

Zhao Zhihao said: It is necessary to accelerate the development of enterprise groups, and particularly through the link of binding the property rights, ally with all potential enterprises in an effort to raise the entire strength and competitiveness of enterprises in the province.

Zhao Zhihao pointed out: It is necessary to grasp the utilization of foreign capital as an important issue that affects the entire province's economic development. The coastal open cities of Yantai and Weihai should pay special attention to raising the technological content of projects utilizing foreign capital, change the practice of striving for investments from ordinary business households to the practice of striving for investments from big financial groups, commercial corporations, and big companies, and change ordinary projects to intensive processing and high-tech projects.

Zhao Zhihao pointed out: Regardless of coastal or inland areas, they should always place the development of rural economy in an important position, combine the development of rural economy with that of building small cities and towns in a better manner, and accelerate the coordination between urban and rural areas. We should exert strenuous efforts to promote a balance, support the poverty-stricken areas, villages, and households to accelerate development, and continue to organize organs and prosperous villages to help and support the poverty-stricken areas. However, while calculating the average per capita income of peasants, we must not generally view the levels of only one county or one township. Instead, we should calculate the income of each and every village or household.

During his inspection, Zhao Zhihao pointed out on several occasions that it is necessary to accelerate the reform and development of educational undertakings. Areas which have basically fulfilled the objective of nine-year compulsory education, should grasp vocational education as a conspicuous task of the entire education work, do a good job in pursuing junior middle-school and after-senior middle-school vocational education, and further optimize the educational structure.

Zhao Zhihao stressed: Conscientious efforts should be made to implement the spirit of the provincial conference of city and prefectural party committee secretaries

held in Yantai in July, always uphold the principle of taking a two-handed approach in work and be tough with both, and relentlessly implement all tasks. It is necessary to continuously strengthen the building of systems, establish strict supervisory mechanisms, and conduct anticorruption struggle in an in-depth and sustained way.

Township Industries Lead Shandong's Development

OW0609120494 Beijing XINHUA in English 0314 GMT 6 Sep 94

[Text] Beijing, September 6 (XINHUA)—Township industries have become the most vibrant and potential force for economic growth in east China's Shandong Province, according to the CHINA TOWNSHIP INDUSTRY NEWS.

The paper says, the province's township enterprises produced 482.5 billion yuan in output value last year, which represents 80 percent of the total rural economic output value of the year.

Since 1980, such industries have paid 33.37 billion yuan in taxes to the state, rising by 50 percent annually. In 1993, township enterprises sold 20.9 billion yuan worth of products to export companies to make up 40 percent of the total export volume.

Now 13,000 township enterprises are involved in exports, and 4,300 such enterprises are Sino-foreign joint ventures, with a contracted investment volume of 2.8 billion U.S. dollars.

The rapid development of township industries has propelled agricultural growth. Since 1980, the province's township industries have provided 5.27 billion yuan for agricultural production.

Now township enterprises employ about 13.5 million people, 36 percent of the rural labor force. The average Shandong farmer reaped 346 yuan from township industry development.

Meanwhile, Shandong's township enterprises have set aside 11.1 billion yuan to support cultural and educational development and another 857 million yuan to help build small towns.

Shandong's Shengli Oilfield Boosts Output

OW0509065494 Beijing XINHUA in English 0619 GMT 5 Sep 94

[Text] Jinan, September 5 (XINHUA)—The Shengli oilfield in Shandong Province, China's second after Daqing, has extracted additional 583,600 tons of oil thanks to renovation.

Located in the delta of the Yellow river, China's second longest after the Yangtze, the oilfield has over 40 oil pools, which have turned out a total of 500 million tons.

To further tap the oil potential, the oilfield has adopted a series of measures to recover oil from the abandoned wells, prolong the repair-free period, control the water in the wells to ensure oil output by expanding cooperation with scientific research institutions since early this year.

With these measures, the Shengli oilfield succeeded in drilling additional 182,200 tons of oil in the first six months of this year.

Shandong Province Awards Prisoners Technical Titles

HK0309035194 Beijing ZHONGGUO XINWEN SHE in English 0947 GMT 2 Sep 94

[Text] Jinan, September 2 (CNS)—Since February last year, technical titles of one senior engineer, three engineers, 22 senior technicians, 26 medium-level technicians and three assistants have been given to prisoners in No. 1 Prison of Shandong Province.

Prisoners with technical titles will score certain points for mitigating their sentences and some more money be added to their living allowances every month. Such activities have aroused a strong response among prisoners and therefore encouraged them to learn technology. Last year the prison imported a batch of advanced facilities, of which many technical difficulties were solved by prisoners themselves.

Mr. Wu, a prisoner on probation of death penalty, felt downhearted when he was just sent to jail. Later on, he was active in learning technology and plunged himself in technical innovations. He became a backbone technician and was given the title of senior technician last year.

Shanghai Leads in Number of Private Businesses

OW0309145694 Beijing XINHUA in English 1440 GMT 3 Sep 94

[Text] Shanghai, September 3 (XINHUA)—Shanghai, China's leading industrial and commercial center, also leads all cities on the Chinese mainland, in the number of private businesses.

By the end of June this year the city had 11,227 private businesses, with a total registered capital of 3.63 billion yuan, four times the 1992 figure.

The private sector in the city has enjoyed rapid growth since 1990, and its sales volume now makes up two percent of the city's total.

It has also provided new jobs. Among 130,000 private enterprise employees, about 100,000 are redundant workers from overstuffed state-run or collecty-owned enterprises.

As one of the major tax contributors in Shanghai, private enterprises turned over a total of 760 million yuan in taxes last year, 3.4 percent of the city's total tax revenue. Their tax payments amounted to 430 million yuan in the first half of this year.

About three percent of the private enterprises are involved in high-tech production. They have attracted students returned from abroad. More than 100 scientific and technological enterprises run by such people have so far been approved by the municipal government.

To promote the development of private enterprises, the municipal government has set up special economic development zones for them in two suburban counties.

Banks are also generous with loans to private enterprises. The Shanghai branch of the Communications Bank alone has supplied a total of 80 million yuan in loans to the city's private businesses.

Siemens Group, Others Invest in Shanghai

OW0609114694 Beijing XINHUA in English 0639
GMT 6 Sep 94

[Text] Shanghai, September 6 (XINHUA)—Some seven billion U.S. dollars of overseas investment flowed into China's largest industrial city of Shanghai in the first eight months of this year, equalling to the total of last year.

The investment, from 49 countries and regions, went to 2,722 projects, according to a local government official.

More than 70 percent of the projects are industrial, yet over 40 percent of the investment went to the tertiary industry including real estate and public utilities.

From January to July, 44 multi-national companies invested 1.27 billion U.S. dollars in 62 projects. The amount of overseas investment used in local transportation and telecommunications sectors during the period was tenfold the figure of last year.

Such world famous companies as the U.S. General Motors and the German Siemens Group have taken part in competition in this area.

So far Shanghai has 9,661 overseas-funded projects involving an overseas investment of 20.7 billion U.S. dollars.

More than 4,000 of the projects are operational. Their combined sales income came to 44.6 billion yuan (five billion U.S. dollars) in the first seven months of this year, twice the amount for the same period of last year.

Dissident Dong Huaimin Put Under 'Special Supervision'

HK0509100994 Hong Kong EASTERN EXPRESS in English 5 Sep 94 p 9

[By Bruce Gilley]

[Text] The writer and revolutionary Dong Huaimin, who has served four years in prison for his role in the 1989 pro-democracy protests, has been put under special supervision by police in his hometown in Zhejiang province.

The move reflects continued unease by provincial officials about the fire left in the veteran dissident—now aged 49—whose political rights were restored in July.

A literary journal started by Dong last month, Zhejiang Tide, has already been shut down, friends say.

Meanwhile, Dong's attempts to find employment in the private sector have been thwarted by officials in his hometown of Jiaying, who have forced him instead to accept a job on a probationary basis with a state enterprise.

"He has been in financial difficulties since his release from prison last year," a friend said. "By giving him a job in a state firm, the local police will be able to keep close tabs on him while solving his financial problems."

Dong's wife and 19-year-old daughter have had difficulties making ends meet since his arrest after the 1989 June 4 massacre.

Dong was recently allowed to make a business trip to Beijing, his first visit to the capital since 1989.

The last time he was there, Dong helped organize a democracy forum in front of the Museum of History bordering Tiananmen Square and acted as a special commentator for the ad hoc radio station of the Beijing Workers' Autonomous Federation.

One of his broadcast articles, "Taking the Bastille in the 1980s", was later condemned by the Communist Party mouthpiece, the People's Daily, as a "heavily weighted bomb of the counterrevolutionary rebellion".

Friends said Dong's health—which suffered from torture and ill-treatment during his time in prison—had improved markedly.

According to the New York-based Human Rights Watch/Asia, even prior to his sentencing in 1992, Dong "resembled an emaciated old man" as a result of mistreatment in Beijing detention centres.

One guard, who took a dislike to a rebellious poem Dong had written on his cell walls, shackled his hands behind his back for 18 days so that he could neither feed nor wash himself, the group said.

A former People's Liberation Army soldier, Dong was imprisoned in the 1960s for opposing the leaders of the Cultural Revolution.

He later served as a teacher of Marxism until being caught up in the pro-democracy protests of 1989.

Private Business Sees 'New Boom' in Zhejiang

OW0509155594 Beijing XINHUA in English 1440
GMT 5 Sep 94

[Text] Hangzhou, September 5 (XINHUA)—The private business sector has witnessed a new boom in east China's Zhejiang Province since the beginning of this

year with the total number hitting 1.27 million by the end of June, a rise of 9.89 percent over the same period last year.

These private businesses, according to a local report, employ 2.03 million people, which represent an increase of 15.2 percent compared with the same period last year.

Since the beginning of this year, over 2000 private businesses have been added in Zhejiang Province, marking the largest growth in the province's history.

According to local officials, Zhejiang's flourishing private sector had accumulated altogether 9.56 billion yuan of capital by June this year, 7,500 yuan for each business on average.

Such businesses produced 17.3 billion yuan in output value in the first half of this year, with their sales volume hitting 28.6 billion yuan. Over 900 such enterprises exported a total of 442 million yuan.

Billion Dollar Seaside Resort Planned for Zhejiang

OW0509164294 Beijing XINHUA in English 1518 GMT 5 Sep 94

[Text] Hangzhou, September 5 (XINHUA)—A seaside resort requiring the investment of as much as one billion U.S. dollars will be built in Pinghu city, in east China's Zhejiang Province.

Official sources attending a feasibility study conference today organized by the provincial planning commission said the resort will occupy an area of 527 ha and take ten years to build.

The resort will include 12 projects, including an international yacht club with a 2.3-km-long marina of Olympic standard, the sources said.

The resort will also feature a park with buildings in ancient Chinese architecture as well as buildings typical of many nations.

Other facilities will include an amusement park, a golf course and seaside villas.

Near the resort are the Jiulongshan Forest Park and the Jiulongshan bathing beach. It is also not far from Shanghai, Suzhou, Hangzhou and Ningbo cities.

The sources said the resort will be a good place for recreation for overseas investors and promote the development of marine sports in China.

The resort will be jointly financed by the Government of Pinghu City and several overseas firms, the sources said.

Central-South Region

Meeting of City Finance Bureau Chiefs Held in Guangzhou

HK0609060694 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 25 August 94

[Text] A provincial meeting attended by the finance bureau chiefs of various cities throughout the province

was held in the Guangdong Building today. Participants reviewed the operations of financial and taxation reform since last year, and the implementation of our budgetary plan. They believed that the implementation of our financial and taxation plan and our budgetary plan, as well as the operation of our financial and taxation system, are basically normal. Finance departments at all levels in our province have conscientiously transformed their operational mechanisms, and have carried out various kinds of coordinating work since the beginning of this year so as to ensure the successful operation of the new financial and taxation system, and a smooth transition. From January to July, local tax revenues throughout the province reached more than 15 billion yuan, and fiscal expenditure was 15.8 billion yuan, an increase of 46.68 and 28.84 percent, respectively, over the same period last year.

The meeting maintained that in the process of reforming our financial and taxation system and of implementing our budgetary plan this year, there still remain some problems that must not be neglected. It is still difficult to fulfill provincial-level financial tasks. Ensuring the success in our financial and taxation reform and the fulfillment of budgetary plan for the whole year will be the focus of work by several finance departments in the future.

Guangdong Promotes Rural Modernization

OW0609124994 Beijing XINHUA in English 0129 GMT 6 Sep 94

[Text] Guangzhou, September 6 (XINHUA)—South China's Guangdong Province is being transformed from a traditional agricultural society into a modern industrial province with the development of modern farming and rural industries.

According to a provincial official, the secondary and tertiary industries such as light industry, construction and commerce, which make up less than one third of the province's rural economy, rose to 87.3 percent of the total rural output value in 1993.

The provincial statistical bureau reported that the province's township enterprises produced 220 billion yuan in output value last year. Nearly 40 percent of the farmers in Guangdong have found jobs in factories. Some of them have become industrialists.

In addition, the province has attached greater importance to the quality, efficiency and high yield in farming with excellent rice varieties accounting for 60 percent of the total grain acreage.

According to local sources, Guangdong Province earned over two billion U.S. dollars from exports of farm products and processed farm products with the percentage of traditional grain and edible oil products declining from 30 percent to four percent.

The province has built over 600 export farm produce production bases, with two thirds of the products sold to other provinces and the rest of the world.

Modern farming has resulted in rising towns and cities. The province had 13 cities in 1982, but the number jumped to 50 in 1993 and the number of towns rose from 142 to 1,462.

The per capita income of the Guangdong farmers reached 1,675 yuan in 1993 as against about 200 yuan in 1978.

Guangdong Promotes Social Insurance System

OW0609111494 Beijing XINHUA in English 0905
GMT 6 Sep 94

[Text] Guangzhou, September 6 (XINHUA)—South China's Guangdong Province has formed a new social insurance system with focus on old-age pension insurance.

According to a provincial official, Guangdong's old-age pension reform started in Shenzhen, China's most flourishing special economic zone, in 1980. By now, the insurance has extended to cover all workers in enterprises, institutions, government departments and private businesses.

By the end of 1993, about 70 percent of Guangdong's employees and 80 percent of the retired workers joined old-age pension insurance.

Guangdong used to rely on individual enterprises to provide all old-age pension. By now, such expenses are jointly covered by the state, enterprises and the individuals.

Such insurance is collected at a rate of two percent of the total salary at present. But the amount will be raised to five to seven percent in about ten years.

The Pearl River delta, the most prosperous part of the province, started insurance coverage for township enterprise workers, most of whom are local farmers and village leaders.

The provincial government has recently mapped out an old-age pension plan for the upcoming 20 years with emphasis on social security of workers whose enterprises are closed down or declared bankrupt so as to cover over 90 percent of the urban workers with such insurance by then.

New Products Spur Guangdong's Economic Growth

OW 0609114794 Beijing XINHUA in English 0721
GMT 6 Sep 94

[Text] Guangzhou, September 6 (XINHUA)—Guangdong Province, a rising economic giant in south

China, has scored successes in developing new products to spur its economic growth, according to the provincial government.

An official of the provincial statistics bureau said that since 1991 nearly 5,000 types of new products have been developed throughout Guangdong.

As a result, Guangdong has increased its industrial output value by 30 billion yuan, and its taxes and profits by eight billion yuan over the past three years, the official said.

He said that some 2,000 types of new products were developed all over Guangdong in the first half of 1994 alone.

Since 1988, 297 types of new products have been included in the national plans for developing such products and 1,973 others in the provincial plans, he said.

Most of these products are high-tech products meeting either highest domestic or international standards, he said.

On average, production of one new product will add an annual industrial output value of 24.5 million yuan, he said.

The rapid economic growth in a number of cities and counties in Guangdong is due primarily to the development of new products, he said.

For example, new products contribute to 35 percent of the increased annual industrial output value in Foshan City in the Pearl River delta, the most developed area in Guangdong.

The Foshan Electronics Industry Corporation, which pays close attention to the development of high-tech new products, won 11 gold and silver medals during the fifth Asia-Pacific fair held recently.

Shunde, a county-level city, developed one new product every week in 1990, every two days in 1992 and every day in 1993. As a result, its annual revenues exceeded 100 million yuan in 1993, more than any other county in China.

The provincial government has been doing its utmost to assist manufacturers in developing new products, the official said.

For instance, the government reduces taxes as a measure to encourage producers to develop new products.

A company produces one billion yuan worth of the health drink, Jianlibao, annually.

Shenzhen Reforms Trials, Probes 'Miscarriages of Justice'

HK0609061194 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0903 GMT 8 Aug 94

[Text] Shenzhen, 8 Aug (ZHONGGUO TONGXUN SHE)—In August, the Shenzhen Intermediate People's

Court began implementing new regulations on trials, including the institution of a "system to investigate miscarriages of justice," increasing the power of the collegiate bench, and so on. Specific contents are written in the "Regulations on Trials of the Shenzhen City Intermediate People's Court (for Trial Implementation)."

It has been learned that because it is a target to build Shenzhen into a modern international metropolis and to follow international practices in judicial work, the reform of trials should take a step ahead of other things.

Since the beginning of this year, the Shenzhen law courts have studied and implemented on a trial basis the system of investigating miscarriages of justice in trials. Personnel who try a case illegally are to be investigated, and administrative and legal responsibilities are to be affixed. At the same time, the position and role of the collegiate bench have been upgraded. This will play an effective role in supporting the implementation of the "Indemnity Law" in the Chinese hinterland.

The "Regulations on Trials of the Shenzhen City Intermediate People's Court (for Trial Implementation)" contain provisions concerning the collegiate bench: The collegiate bench is usually made up of three judges, deputy judges, or assistant judges performing the duties of a deputy judge. In trying important, complicated, or difficult cases, the collegiate bench is made up of five judges or deputy judges. In trying a case, the collegiate bench follows the principle that the minority is subordinate to the majority. In trying cases in which it has the power to make a ruling, the collegiate bench can pronounce the judgment immediately after the trial is over, and so on.

The law circles here held that the "Regulations on Trials of the Shenzhen City Intermediate People's Court (for Trial Implementation)" are an important breakthrough in the reform of the trial system, and have laid a foundation for carrying out comprehensive and thorough reforms of trials in the people's courts.

Hainan Province Attracts Foreign Investments

OW0309090694 Beijing XINHUA in English 0725
GMT 3 Sep 94

[Text] Haikou, September 3 (XINHUA)—Attracted by rich resources and low costs, more and more overseas investors are shifting their focus from the coastal regions of Hainan Province to inland ethnic-minority areas.

A hot spot for foreign businesses, Hainan, an island province in south China, and the largest special economic zone in the country, has attracted a large number of overseas investors, first to its scenic coastal areas, and now to the interior mountain areas where ethnic minorities reside.

Covering nine counties or cities and with a population of 2.2 million, these areas account for half of the province's

total area and one third of the population. The national minorities include the ethnic groups of Li, Miao, Zhuang and Hui people.

So far, some 890 overseas-funded firms involving a direct investment of 210 million dollars have been set up in these areas, accounting for 12.8 percent and 12.7 percent, respectively, of the province's total.

Though slow in being recognized by overseas investors, the minority areas are the places most abundant in natural and tourist resources, and economical as far as costs are concerned, local officials said.

In order to cater to foreign investors, the local authorities have made great efforts to improve infrastructure, including roads, telecommunications and power supply.

Now all the nine localities have access to domestic and international direct-dial telephones. Major roads leading to tourism attractions and economic development zones have been renovated, and power and water supplies remarkably improved.

These areas are most appealing to investors in the processing, agricultural development and tourism businesses.

The already established processing plants concentrate on marble and granite building materials, timber, fish and tropical fruit.

A cement works being built in the Baisha Li Autonomous County and set up with Taiwan funds of some 100 million yuan is designed to produce 600,000 tons of cement annually. When it goes operational, it will bring the total cement output of this mountainous county to 800,000 tons.

An aquatic-product processing factory jointly invested by a Hong Kong investor and a firm in the Sanya City with an investment totalling 73.45 million yuan, is one of the largest such projects in the ethnic-minority areas.

A winter vegetable producing center, a mango growing base and a fruit-processing plant funded by a Taiwan investor to the tune of 150 million yuan are now under construction in the Dongfang and Changjiang Li Autonomous Counties.

The Wuzhi Mountains, a major tourist attraction, have already drawn a total of 129 Chinese and overseas investors, with the contracted investment totalling 2.3 billion yuan. Projects include the Chuncheng Airport, which will be built with 500 million yuan from a Macao investor and a five-star hotel with 300 million yuan invested from Taiwan.

Attracted by the fertile land resources, more and more overseas investors have begun to take an interest in agricultural, forestry, animal husbandry and fisheries development.

Of the 47 Taiwan-funded firms in Sanya City, 18 are involved in agricultural development. These Taiwan investors have leased some 730 hectares in Sanya, to grow melons, mangos and flowers.

Hainan Ports Become Profitable Businesses

OW0409153294 Beijing XINHUA in English 1409 GMT 4 Sep 94

[Text] Haikou, September 4 (XINHUA)—A reform launched earlier this year has turned Hainan Province's major ports from money-losing public utilities into a profitable business.

Officials from the Department of Communications of the Hainan Government said they had no longer run port affairs themselves as they used to do. Instead, they helped turn port companies into independent business bodies.

Accordingly, the companies restructured their own management systems so as to give subsidiaries more freedom in decision-making along with more responsibilities.

In four months, the ports of Sanya and Basuo had stopped loss-making, and the ports of Yangpu and Haikou saw remarkable increases in cargo flows and profits, the officials said.

The port of Haikou reported a cargo flow of 3.59 million tons in the first six months of the year, 32 percent up over the same period of last year. Profits rose by 80 percent in the same period to reach 30.6 million yuan, the officials said.

Hainan's Key Construction Projects Progress Smoothly

HK0609062694 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 23 Aug 94

[Text] Hainan has increased and accelerated its investment in key construction projects since the beginning of this year so as to ensure that funds incline to them, that strict management is carried out, and that good service is provided. During the first half of this year, our cumulative investment amounts reached 2 billion yuan—an increase of 169 percent over the same period last year. It has been learned that this year, our province has planned 24 key construction projects, of which 16 are continuous projects and eight are new ones. Investments total 28.6 billion yuan.

To ensure the progress of these key construction projects, the provincial government has implemented a goal-directed management responsibility system for a number of key projects, and goal-directed management responsibility certificates have been issued. Funds continue to incline to key construction projects, so that their progress can be accelerated impressively.

Sanya's Fenghuang international airport, the (Tongxian) expressway, and the (Daguangba) key hydropower

projects, as well as others, have been fully or partly completed. Haikou's (Nanda) overpass will be fully open to traffic at the end of this month. The Nanshan power plant spent only 183 days in fulfilling the operational and electrical energy production tasks of its Number One generating unit, with quality and quantity ensured. Newly started key projects also are progressing smoothly. Equipment and facilities for the (Hebang) petrochemical project have arrived at the construction site, and other subsidiary projects—such as warehouse, water and power supply, pipelines, and cargo wharves—have started one after another. The Ya-131 natural gas transport terminal project and its 91-kilometer main gas pipeline project are in full swing.

Hubei Governor Inspects Eastern Areas 21-24 Aug

HK0609060494 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 25 Aug 94

[Text] From 21 to 24 August, Governor Jia Zhijie inspected Huanggang Prefecture's Huangmei County, Wuxue City, and Qichun County, where he carried out investigations and study, and made an emphatic call for seizing each and every opportunity, facing up to new challenges, enhancing a sense of urgency and responsibility in local economic development, smoothing out the train of thought, focusing on a number of key aspects, adhering to a clear-cut guiding ideology, bringing about strategic economic breakthroughs, and becoming bolder in pushing ahead with opening up and economic exploitation.

Jia Zhijie fully affirmed Huanggang Prefecture's achievements, and urged the abovementioned two counties and one city to more clearly understand their own unique strategic positions, face up to existing problems and challenges, cultivate a sense of crisis, and speed up local economic growth. Jia said: Huangmei, Wuxue, and Qichun are located in eastern Hubei, between the province's economic corridor and the Wanjiang Economic Belt. Should we fail to speed up their development, they unavoidably will fall behind other parts of the province and degenerate into a piece of barren land in the process of economic development. In view of such realities, the three areas should waste no time in mapping out a series of extraordinary measures, embarking on extraordinary economic growth, and striving to enhance economic strength as soon as possible.

Jia Zhijie pointed out: The three areas form the gateway to eastern Hubei, and serve as an outpost capable of receiving radiation from Pudong. Therefore, the Hubei Provincial CPC Committee and People's Government are placing high hopes on them. In addition, Hubei's opening up along the Changjiang is expected to start from these three areas, which are a testing ground capable of providing the whole province with useful experiences. In a systems engineering sense, Hubei's opening up and exploitation along the Changjiang Economic Belt are like a relay race in which these three

eastern Hubei areas are the first-batch runners. If these three areas develop quickly, the entire province will follow up and gain the initiative; otherwise the entire province will be defeated in the race. Thus we should energetically strengthen a sense of urgency and of crisis when expediting the province's economic development, seize each and every opportunity, and successfully build Hubei's eastern gate.

Speaking of the province's economic guiding ideology, Jia Zhijie stressed: We should smooth out a train of thought and focus on key aspects. In the months to come, we should firmly grasp two key aspects simultaneously, while pressing ahead with eastern Hubei's economic development: On the one hand, we should strive to stabilize the agricultural foundation and maintain rural social stability; on the other, we should vigorously develop local industries by focusing on state-owned enterprises, with a view to enhancing Hubei's economic strength. In particular, we should be firm and resolute in the following four aspects:

1. Developing high-yield, high-quality, and high-efficiency agriculture—to this end, all relevant areas across the province should concentrate on increasing peasants' income. On the premise of stabilizing the province's grain and cotton outputs and ensuring an efficient social supply, we should make redoubled efforts to readjust and optimize the province's agricultural production structure, achieve more breakthroughs in developing a diversified economy, press ahead with the province's rural industrialization, raise the province's overall economic efficiency in a down-to-earth manner, and assist the peasants in achieving prosperity and a comparatively well-off livelihood as soon as possible.
2. Developing and building a batch of pillar industries with salient provincial characteristics—to this end, we should conscientiously select by aiming high and should rapidly build a batch of key projects in light of actual local conditions, while vigorously promoting professionalized productions, conglomerated operations, regionalized economic layout, and export-oriented economic development with an eye to upgrading, expanding the scale, and raising the efficiency of Hubei's existing enterprises, and enabling them to become the province's real economic pillars and small giants.
3. Unswervingly developing an export-oriented economy, making full use of such local advantages as being near the Changjiang, the sea, and the Beijing-Kowloon Railroad, inviting more foreign capital; building more enterprises run with three types of capital—foreign capital, overseas Chinese capital, and with both foreign and Chinese capital; pushing forward Hubei's industrial development by applying advanced foreign technology and making the province's export-oriented economy contribute to the province's overall economic growth.
4. Resolutely and steadfastly pressing ahead with the province's rural urbanization, promoting integration

between rural and urban areas; focusing on building industrial zones, town and township enterprise zones, individual and private economic zones, commercial and trade zones, and other types of small zones; stepping up the construction of water, electricity, highways, telecommunication, and other infrastructure facilities; speeding up port construction; and striving to rapidly urbanize eastern Hubei within the next few years.

While carrying out investigations and study in Huanggang Prefecture, Jia Zhijie also put forward a series of requirements on the prefecture's party and spiritual civilization-building, family planning, and other types of work.

Hunan Secretary Addresses Seminar on Development

HK0609083794 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 28 Aug 94

[Excerpt] The 1994 international seminar on Hunan's opening up and development opened in Changsha's Rongyuan Hotel yesterday morning [28 August]. Provincial party and government leaders, including provincial party Secretary Wang Maolin, attended the opening ceremony. A total of 137 prestigious experts, academics, and personalities from different parts of the country and from abroad also attended the opening ceremony. They included members of the Kuomintang Central Committee; the chairman of SHIJIE LUNTAN BAO [WORLD TRIBUNE]; the chairman of the board of the Taoyuan consultant company on talented people; Ulanmu Lun, deputy director of the Hong Kong Branch of the XINHUA NEWS AGENCY; the chairman of the Hong Kong Chinese Entrepreneurs' Association; the ROK ambassador; the Cuban and Netherlands counselors; as well as representatives from the the United States, France, and Germany.

The opening ceremony was presided over by Chu Bo, deputy secretary of the provincial party committee. Executive Vice Governor Wang Keying, member of the standing committee of the provincial party committee, made a welcoming speech on behalf of the provincial party committee and government.

Provincial party Secretary Wang Maolin made an enthusiastic speech saying: After 15 years of reform and opening up, we deeply feel that for Hunan to achieve greater development, it must put its economic construction into the environment of the world's macroeconomic development. If Hunan wants to converge its economy with that of the the world, it must introduce an all-round opening up strategy. For this reason, we will concentrate our efforts on improving Hunan's conditions and on strengthening the people's, and particularly cadres' awareness of opening up, so as to form a strong idea among the province's 63 million people that opening up also serves as a momentum for developing the productive forces.

Wang Maoling pointed out: We must learn from the economic development experience of developed regions in other parts of the country and abroad, and also urgently hope that all those present here will exchange views and opinions. I believe that this seminar will play an important role in enabling Hunan to move toward the world and in the world's understanding Hunan. [passage omitted]

Hunan Secretary Addresses Anticrime Teleconference

HK0609040994 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 27 Aug 94

[Text] Yesterday morning, provincial party committee Secretary Wang Maolin called and presided over a provincial teleconference that relayed and implemented the important spirit of a recent decision by the Central Political and Legal Affairs Commission on carrying on an in-depth struggle against major and serious crimes, and to drastically improve social order.

Yesterday's teleconference also made arrangements for unfolding across the province a new round of social order rectification and crackdown on crime during the forthcoming National Day period.

Wu Xiangdong, member of the standing committee of the provincial party committee and secretary of the political and legal affairs commission, addresses the teleconference, saying: The province is facing a rigorous social order situation at the moment. The province's crime rate is on the rise, while hooliganism and underworld activities also are gaining ground in some areas. Despite repeated and concentrated crackdowns on major and serious crimes, the province is still witnessing a growing crime rate with each passing day, as well as a rigorous social order situation in certain cities and towns. Given this situation, Wu Xiangdong noted, we should launch at regular intervals a severe, highly efficient, and fruitful crackdown on major and serious crimes across the province, so as to create a favorable external environment for the province's social order, reform, opening up, and economic construction.

Provincial party committee Secretary Wang Maolin also delivered a speech in which he emphatically urged principal party and government leaders at all levels across the province—and especially the secretaries of prefectural, autonomous prefectural, and county party committees—to assume personal responsibility for maintaining social order; personally analyze the local social order situation; work out and take appropriate countermeasures; personally listen to reports and proposals made by local public security, political, and legal affairs departments; personally intervene to resolve social order problems; strive to make a success of, and to achieve optimal social results from the forthcoming anticrime struggle; and make greater contributions to the province's stability, reform, opening up, and economic construction.

Hunan Vice Governor Insures Vegetable Supply

OW0609113694 Beijing XINHUA in English 0738 GMT 6 Sep 94

[Text] Changsha, September 6 (XINHUA)—Wang Keying, a vice-governor of central China's Hunan Province, is among those who are working hard to ensure vegetable supply and contributing their efforts to lower vegetable prices in Changsha, the provincial capital.

After a grave flood hit Changsha in summer, the prices of certain vegetables in the city rose sharply, arousing great concern from local residents as well as provincial officials.

Wang first went to investigate into vegetable prices at the Mawangdui wholesale market located in the suburbs, one of the 10 leading such markets in China, which supplies 60 percent of the vegetables for daily consumption in Changsha.

After an inspection of the market, the vice-governor came to know that the market order was good on the whole despite a recent drop in the supply. However, he noticed, there are frequent occurrence of forced buying and selling by some vegetable speculators.

Based on his founding, the Changsha City Government took measures to enhance market security and management and further improve the environment for vegetable trading.

The governor also inspected the four other major vegetable markets of Changsha to ensure that vegetables on sale have their prices marked and the market supervisors should keep a close eye on business.

Moreover, he went to vegetable farms to acquaint himself with the situation on vegetable growing in suburban production centers.

Hunan Develops Diversified Economy

OW0609125394 Beijing XINHUA in English 0711 GMT 6 Sep 94

[Text] Changsha, September 6 (XINHUA)—With the implementation of the reform and open policy, the south China inland province of Hunan, traditionally an agricultural one, has now developed a diversified economy.

The province is a neighbor of the newly-rising coastal province of Guangdong, but its economy was far behind. The Hunan provincial government worked out an overall program to develop its economy by relying on its geographical advantage and agricultural and other resources.

To make it better known to the world, the province has sponsored a series of festivals to introduce its cultural heritages, such as the Yueyang international dragon boat festival, the Zhangjiajie international forestry festival, and Nanyue temple fair.

In the meantime, the province listed 100 major enterprises for cooperation with foreign businessmen, and opened its market wider to the outside world. It has enhanced co-operation with foreign investors in many fields as commerce and trade, finance, transportation and tourism.

The province has worked hard to raise funds, including foreign investment, for infrastructure construction. The investment in infrastructures in the past five years has surpassed the total sum for the previous 30 years.

In telecommunications, it introduced 200 million U.S. dollars of overseas investment in building an "information expressway" in 1991. It is expected that by the end of this year, program-controlled telephone lines can reach all the county seats and cities across the province.

In transportation, it will build six top-grade highways by the end of this century, with a total investment of over 20 billion yuan (about 2.3 billion U.S. dollars). Overseas investment may account for over half of the total investment. Construction has begun with four of the six highways.

The repair of the Xiangjiang river embankments has been in its second stage; the construction of two 5,000-ton berths in Yueyang along the Chang Jiang river is about to begin; major railway lines are also under and expansion; and the Huanghua international airport and Zhangjiajie airport have opened to traffic.

In energy, several new power stations are under construction. Energy shortage will be greatly eased.

Many large- and medium-sized state enterprises, through co-operation with foreign investors, have effectively absorbed advanced technologies and managerial expertise and improved their economic returns.

In recent years, overseas investment has also poured into agriculture and sideline production. Export-oriented agriculture emerged.

Last year, the province earned 280 million U.S. dollars from the export of agricultural and non-staple products. Now, the export of agricultural and processed products has accounted for 30 percent of the total export volume of the province.

The overall economy of the province developed quickly. Last year, the gross domestic product (GDP) of the province reached 114.6 billion yuan, 12.6 percent up over the previous year.

Southwest Region

Guizhou Party Secretary Inspects Cigarette Plant

HK0609123494 Guizhou People's Radio
Network in Mandarin 2300 GMT 28 Aug 94

[Excerpts] Liu Fangren, secretary of the provincial party committee, recently inspected Dije Cigarette Plant, and

fully affirmed the factory's achievements over the past 20 years since its founding. He required the factory to seek further development by means of improving quality, and enhancing economic efficiency by broadening the market. [passage omitted]

After inspecting the cigarette plant, Liu Fangren pointed out: We must understand that product quality is the lifeline of an enterprise. We must give top priority to guaranteeing product quality at all times, and must adhere to the principle of using both hands to grasp the work with both hands being tough, that is, party building in the enterprise must be guaranteed. Enterprises should more effectively conduct the ideological and political work, should care about the livelihood of their workers, thus arousing their work enthusiasm, and should rely on the working masses to develop production. [passage omitted]

'Millions of War Veterans' Living in Poverty' in Sichuan

HK0509074494 Hong Kong SOUTH CHINA
MORNING POST in English 5 Sep 94 p 12

[Irene So]

[Text] Millions of war veterans are living in poverty because of regional government cash shortages.

An official in Sichuan said at least five million demobilised and disabled soldiers were living in poor conditions because financial allowances had been kept at such low levels for years.

The disabled soldiers in the province are usually classified in four grades according to the degree of disability.

Most of 15,000 handicapped soldiers are receiving living allowances ranging from about 10 yuan to 300 yuan (about HK\$9 to HK\$270 at current rates) a month, the social welfare official said.

"We can't increase the amount for each grade very much every year because our provincial government does not have enough funding," he said.

He believed other provinces suffered from a similar problem.

Sichuan receives millions of yuan in subsidies from the central Government every year.

It is believed that since the end of Korean and Vietnam wars, millions of soldiers, including those disabled during the conflicts, had been demobilised from the Sichuan Army [as published].

However, the official stressed that the local Government had done its best to improve the lives of these soldiers.

About 500 of the most seriously disabled soldiers in the province have been re-located into centralised accommodation.

The cash shortage not only caused food and clothing problems but also created a "psychological imbalance" in some ex-soldiers.

"The imbalance is very serious. Many of the demobilised soldiers are very old, in their 60s and 70s," another provincial official said.

They were often upset when younger ex-soldiers were able to find a job and they were not.

Sichuan To Exhibit Achievements of Foreign-Funded Firms

OW0209165794 Beijing XINHUA in English 1511
GMT 2 Sep 94

[Text] Chengdu, September 2 (XINHUA)—In October Sichuan Province in southwest China will hold its first exhibition to display the achievements of its foreign-funded enterprises.

Since the first foreign-funded enterprise was given approval to be set up in the province in 1983, Sichuan now has more than 4,800 foreign-funded firms, involving 2.4 billion U.S. dollars in foreign investment.

With the growth of these firms, the province recorded an export volume of 130 million U.S. dollars-worth last year.

More than 500 foreign-funded firms will attend the fair, bringing with them nearly 1,000 high-quality and export-oriented products.

In addition, overseas businessmen and coastal foreign-funded firms will be invited to the exhibition.

Editorial Views Implementing Tibet Work Forum Guidelines

Call To Oppose Splittism, Part 4

OW0209114294 Lhasa XIZANG RIBAO in Chinese
12 Aug 94 pp 1, 3

[Editorial: "Uphold Unification, Oppose Splittism, and Maintain Stability—Fourth in a Series on Studying and Implementing the Guidelines of the Third Forum on Work in Tibet"—The third report in the series was published in the 2 September China DAILY REPORT]

[Text] To take a further step to maintain stability in this region was a major topic discussed at the Third Forum on Work in Tibet held by the party central committee and the State Council. After summing up historical experience and conducting a thorough investigation and study, the central authorities have further clarified the basic principles, policies, and measures for upholding the unification of the motherland, opposing splittist forces, and maintaining stability in Tibet. These basic principles, policies, and measures have provided us with a powerful ideological weapon, and they will surely have

an important and far-reaching impact on Tibet's long-term peace and stability and on its development.

The Tibetan nationality is a member of the big family of the Chinese nation, and Tibet's destiny is closely linked with that of the motherland. The forum held that Tibet work occupies an important strategic position in the work of the party and the state as a whole. To do Tibet work well is of great significance to China's reform, development and stability and to enhancing the capability of the Chinese nation to be cohesive. Stability, development, and security in Tibet have a bearing on stability, development and security in the whole country. For this reason, party and government organizations at all levels in this region, as well as cadres and people of all nationalities, should clearly understand the strategic importance of their historic mission and do all they can to maintain stability in Tibet. All members and patriots of the Chinese nation should safeguard the unification of the motherland and stability in Tibet, just as they do to protect their eyes. We should actually work for Tibet's social change, political stability, unity among nationalities, strong border defense, economic development, and people's happiness; not just mentally prepare to do so.

The new situation in this region shows that stability is the prerequisite for economic development and a gradual improvement in people's living standards in Tibet. It has become a common understanding among people of all nationalities in this region that nothing can be achieved without stability. Since its peaceful liberation, Tibet, under correct central leadership, has undergone an earth-shaking change from a feudal system of serfdom to the socialist system, made a historic leap, crushed the attempt by imperialists and the Dalai clique to split the motherland, maintained the unification of the motherland and unity among nationalities, and ensured basic stability in the region. It is precisely with such stability that this region has taken a solid stride forward in reform, opening up, and modernization and has made spectacular achievements in economic and social development. Only by maintaining stability will we be able to create a good environment for establishing a socialist market economic structure in Tibet and ensuring smooth implementation of the central authorities' Tibet policies.

General Secretary Jiang Zemin pointed out during the meeting: "The difference between us and the Dalai clique is a matter of upholding the unification of the motherland and opposing splittism, not an issue of religious belief, nor an issue of autonomy." This brilliant exposition has profoundly explained the essence of our struggle against the Dalai clique and clearly pointed out the orientation of our anti-splittist struggle. During the 100 years or so since the Opium War, capitalism and imperialism have always regarded Tibet as a place where they can make a breakthrough in splitting China. With their support, the splittist forces in Tibet and the splittist forces abroad are colluding with each other, further intensifying their sinful activities for "Tibetan independence," and attempting to separate Tibet from China's

territory so as to strategically create chaos in China. For this reason, our anti-splittist struggle today is, in essence, a continuation of the struggle waged by the Chinese people over the last 100 years or so against the attempt by aggressive capitalist and imperialist forces to split China. The struggle will be protracted and complex and we must not treat it lightly. Our policy toward the Dalai Lama is that he is welcome to return at any time provided he abandons his advocacy of Tibet independence and ceases activities aimed at splitting the motherland. Independence or independence in disguised form is out of the question, however. As long as the Dalai Lama clique continues to advocate Tibet independence, we have to wage a tit-for-tat struggle until we eventually score victory. There is no room for bargaining on the fundamental question of safeguarding the motherland's unity.

The proper management of nationalities and religious affairs is vitally important for safeguarding stability and promoting development. Therefore, we should pay close attention to nationality and religious issues regardless of our occupations. This will ensure that the party's nationality and religious policies and relevant state laws will be seriously implemented and reflected in various fields of work. We should fully implement the "Law on Regional Autonomy for China's Minority Nationalities"; constantly strengthen unity between the Tibetans and Hans and among various nationalities; assist and depend on each other; seek common progress; and truly establish a relationship by which various nationalities are inseparable from each other. We should fully and correctly implement the policy of religious freedom. We should protect the right of religious believers to religious freedom and carry out ideological and political education on socialism, as well as science and general education, among them. We should trust and rely on them in accomplishing various tasks. In dealing with monks and nuns, we should strengthen education and management. We should unify monks and nuns who love the country and cherish socialism and encourage them to contribute to safeguarding the motherland's unity and to socialist construction. We should heighten our vigilance and strike telling blows against a handful of splittists who take advantage of nationality and religious issues to provoke incidents and create disturbances. We should approach them seriously and resolutely deal with them in accordance with state laws.

The people of Tibet have the glorious tradition of safeguarding inter-ethnic unity and the motherland's unity. Cadres and people of all nationalities in Tibet are the main forces for safeguarding stability and opposing splittism. In fighting splittism, we must firmly rely on people of all nationalities across the region, especially peasants, herdsmen workers, and intellectuals. We should let patriots of all nationalities in all circles fully play their roles, keep expanding the patriotic united front, unite all forces that can be united, and make suggestions for and contributions to safeguarding the

motherland's unity. Also, we should strengthen education among people on safeguarding the motherland's unity and strengthening inter-ethnic unity. We should reveal the Dalai Lama clique's true political colors and justly and forcefully give wide publicity to the fact Tibet is an inalienable part of China. We should teach the masses to take actions to resolutely resist the various types of infiltration by splittist forces and deal a firm blow to various splittist activities. Politically and ideologically, we should teach them to make a clean break with splittist forces and wage a clear-cut struggle against such forces. In Tibet, whoever undermines inter-ethnic unity and provokes splittism is bound to meet with firm opposition by people of all nationalities across the country, including the people of Tibet, and be doomed to failure and condemned through the ages.

The People's Liberation Army, the Armed Police Force, and the broad ranks of public security cadres and police officers serve as a strong pillar of the people's democratic dictatorship, as well as a powerful basis for stability and development. To promote long-term peace and development in Tibet, we should wage an extensive and protracted "double-support" drive, and open up the excellent prospect of unity and mutual support between the Army and government and between the Army and people, so that they will share weal and woe with all hearts beating as one and constantly score new victories during the great struggle to safeguard the motherland's unity, oppose national splittism, and develop Tibet.

The Tibet work forum also explicitly called on the entire country to assist Tibet. Without a doubt, this has injected strong vitality into Tibet's economic development. Also, it will certainly create a good internal and external environment for social stability. Stability is essential for development and inextricably linked with rapid economic development. For this reason, we must earnestly implement the centrally established principle of "promoting development and stability simultaneously and placing equal emphasis on both," and proceed on the basis of doing our jobs well, speeding up Tibet's economic development, and increasing our national strength. We should work in concert and bravely blaze a new trail of reform, development, and stability with the support of the central authorities and people across the country and through the joint efforts of people of all nationalities in Tibet.

Both the past and the present tell us that any attempt at splitting Tibet from our great motherland is doomed to failure regardless of what forces are behind it. This is a general historical trend. That is because people across China will never tolerate anyone who infringes on their national sovereignty. The people's fight against splittism is bound to succeed. Although we face long-term tasks in battling splittism, there is no doubt that we can completely shatter any attempts to split the motherland, conscientiously safeguard Tibet's long-term social stability, and ensure our happiness at present and in the future, under the guidance of central principles and

policies on Tibet's fight against splittism, with the support of people across China, under the people's democratic dictatorship that serves as a strong pillar, and driven by the pivotal force emanating from a shared hatred of the enemy among the people of Tibet.

Performing Actual Deeds, Part 5

OW0709090594 Lhasa XIZANG RIBAO in Chinese
16 Aug 94 p 1

[Editorial: "Perform Actual Deeds To Rejuvenate Tibet—Fifth in a Series on Studying and Implementing the Guidelines of the Third Forum on Work in Tibet"]

[Text] Currently, an upsurge of studying the guidelines of the Third Forum on Work in Tibet has been whipped up on the vast plateau, creating a good momentum. The key to making the guidelines yield good results lies in actual deeds. We should turn the great zeal and high degree of responsibility and urgency for the study into a strong motive force, perform actual deeds, blaze a new trail for Tibet's reform, development and stability in light of its realities, push all work forward, and make splendid achievements in Tibet's rejuvenation to fully live up to the expectations of the party Central Committee, the State Council, and the people across the country. This is an arduous and yet glorious task for the organizations and cadres at all levels and for the people of all nationalities in this region.

In order to carry out the guidelines of the forum, many things remain to be done and the first one is to seriously study them. Thinking is the forerunner of action, and study is the motive force of advance. The forum has formulated the strategy for governing Tibet in the new period. The strategy has rich contents, covering political, economic, ideological, cultural, and other aspects. We should seriously study and thoroughly comprehend its essence, enhance our understanding, unify our thinking, and lay a good foundation for implementing the guidelines. Only in this way can we know clearly the new situation and tasks and adapt ourselves to them; keep in step, create a great strength, and strive to attain the strategic objectives put forward by the forum; take actions consciously and actively, rather than blindly and passively; constantly study new circumstances and solve new problems during the course of implementing the guidelines of the forum; and truly achieve a great rejuvenation of Tibet. The sole purpose of study is application. We should apply what we have learned and we should do practical work while studying. It is insufficient to merely make known our position while taking no action. Only by sincerely working under the central guidelines can we make substantial achievements in Tibet's stability and development.

In order to carry out the guidelines of the forum, we must persistently implement the central authorities' major policies in light of Tibet's realities, and this is a basic principle for doing the Tibet work well. The forum put forward guiding principles, work plans, development

objectives, and a series of preferential policies for accelerating development and maintaining stability in Tibet. Those principles, plans, objectives, and policies are the products of integrating major central policies with Tibet's concrete realities. In implementing the guidelines of the forum, we must consider our realities, keep a clear head, and formulate realistic measures. At present, the people in this region cannot wait to find out where to proceed. For this reason, we should formulate and make public the concrete, feasible measures of this region as soon as possible. Tibet is vast in area and uneven in its economic and cultural development, and its different localities and departments are in different situations. Therefore, in implementing the guidelines of the forum, we should proceed from Tibet's realities, integrate major central policies with overall regional plans and, in line with the realities of various localities and departments, bring into play the strength of all localities and departments, and be creative in our work. Local work will be vigorous wherever such an integration is accomplished. We should truly do solid work in implementing the guidelines of the forum and constantly make new breakthroughs in rejuvenating Tibet.

In order to carry out the guidelines of the forum, we must closely rely on the masses and guide the people of all nationalities in this region into the great undertaking of rejuvenating Tibet. "The people are the source of our strength and the foundation of our victory." The central leading comrades repeatedly emphasized during the forum that the most fundamental way to ensure stability and development in Tibet is to rely on the broad masses of the cadres and the people there to display a spirit of self-reliance and hard work. We should see that the principles and policies for Tibet work during the new period laid down by the Third Forum on Work in Tibet conform to the interests and aspirations of the people of all nationalities in Tibet, and they will surely win the support of the people of all nationalities in the region. This has provided an effective guarantee for implementing well the guidelines of the forum. The people of all nationalities in this region are longing to improve the backward situation and build a new Tibet of unity, prosperity, and well-developed culture. The forum was a new starting point for Tibet's long-term economic development and long-term peace and stability. On the road to prosperity, the people will display great enthusiasm and creativity. So long as we firmly rely on the masses, convey the guidelines of the forum to the masses exactly as they are, and use them in enlightening, organizing, and mobilizing the people, the people will give full play to their abilities during the great undertaking of rejuvenating Tibet, carry out the central guidelines, and open a new chapter in the modernization of the snowy plateau.

The leading bodies at various levels are the command posts for implementing the guidelines of the forum. Chairman Mao Zedong said "Cadres are the decisive factor once the political line is determined." The key to implementing well the guidelines of the forum lies in leading cadres at all levels. The leading cadres at all

levels should clearly know their responsibility. In order to ensure an all-round implementation of the major central policies in this region, the leading cadres at all levels must firmly identify their thinking with the guidelines of the Third Forum on Work in Tibet, display a spirit of being highly responsible to the people of all nationalities in Tibet, enhance their firmness and conscientiousness in implementing the guidelines, take the lead in emancipating the mind and amplifying vigor, and enthusiastically take part in the great undertaking of rejuvenating Tibet. To rejuvenate Tibet is a dynamic undertaking, as well as a solid work, for which we must perform actual deeds. "Without working hard, there will not be even the least bit of Marxism-Leninism." The leading cadres at various levels should personally take a hand in the great undertaking and shoulder heavy and major responsibilities. They should not be "onlookers" or "outsiders." They should influence and spur on the masses with their exemplary deeds and hard work. While studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and thoroughly understanding the guidelines of the Third Forum on Work in Tibet, leading cadres at all levels should also study hard the theories of economic construction, scientific and technological knowledge, and other relevant knowledge so as to raise their level of knowledge on theories, policies, and common sense, as well as their job skill level. They should keep improving their thinking and work style, take part in practice go among the masses, discover new circumstances, solve new problems, sum up new experiences, create a new situation, and make new achievements.

A brighter future is awaiting us. Let us be united and work hard in a down-to-earth way to usher it in.

Officials Interviewed on Plenary Session on Work in Tibet

OW0609142994 Lhasa Tibet Television Network in Mandarin 1200 GMT 1 Sep 94

[Unidentified correspondents video report; from the "Regional Hookup" program]

[Excerpts] On 1 September, the Sixth Enlarged Plenary Meeting of the Sixth Tibet Autonomous Regional CPC Committee opened in Lhasa. The meeting is to follow the guidelines of the Third Forum on Work in Tibet held by the party Central Committee and the State Council, closely integrate the actual conditions of this region with the guidelines, penetratingly understand the guidelines, unify the people's thinking, help people to have a clear understanding of various task, and seize the opportunity to accelerate development and promote stability. [passage omitted]

[Reporter] We reporters have arrived at the site of the meeting to conduct on the spot interviews with delegates attending the meeting.

[Reporter] I am a Tibet TV Station reporter. The central authorities have decided to give full support to Tibet

Can you briefly explain this subject? [video shows Chen Kuiyuan, Tibet Autonomous Regional CPC Committee secretary]

[Chen Kuiyuan] The recently concluded Third Forum on Work in Tibet held by the central authorities is of historical significance. It gives us a rare historical opportunity to promote development in Tibet. It has given clear instructions on economic, political, and other work in Tibet. People at all levels in Tibet must seriously study the central authorities' guidelines and take concrete action to promote socialist modernization and greatly push forward all work in Tibet. We should quickly and healthily embark on the victorious road of socialist modernization together with all fraternal provinces and municipalities and people of various nationalities.

[Reporter] Thank you.

[Reporter] Secretary Chen, can you comment on the current enlarged plenary meeting of the Fourth Tibet Autonomous Regional CPC Committee?

[Chen Kuiyuan] The current plenary meeting will be a decisive meeting in the history of building socialist modernization in the autonomous region. It will be a new starting point for us in marching toward socialist modernization. It will be a new milestone. Through this meeting, people at all levels will clearly follow the guidelines of the Third Forum on Work in Tibet. We can certainly create a new situation for our work in all fields.

[Reporters] Thank you.

[Reporter] The central authorities have shown concern for Tibet, and people of the whole country are supporting Tibet. How shall we act in Tibet? As the Tibet Autonomous Regional CPC Committee executive deputy secretary, what is your opinion on Tibet's work? [video shows Raidi, regional party committee executive deputy secretary]

[Raidi] The party Central Committee and the State Council have shown great concern for work in Tibet, and the people of the whole country have vigorously supported Tibet. Under such circumstances, party and government organizations at all levels in this region are faced with the important and practical question of what shall be done in Tibet. There are three things we should do: 1) We should seriously study and penetratingly understand the guidelines of the Third Forum on Work in Tibet and really unify our thinking; 2) We should have a clear understanding on various measures; and 3) We should struggle in unity and do practical things. These are our answers to what shall be done in Tibet.

[Reporter] Thank you.

[Video shows reporter interviewing Guo Jinlong, regional party committee deputy secretary] [reporter's question not provided]

[Guo Jinlong] To successfully implement the guidelines of the Third Forum on Work in Tibet, the regional party

committee has made great efforts and decided to convene an enlarged plenary meeting of the regional party committee. The number of people attending the meeting and the duration of the meeting are both unprecedented. Participants included county party secretaries and country heads. Many comrades from various prefectures have also come to attend the meeting. We will transmit the guidelines of the Third Forum on Work in Tibet exactly as they are to the grassroots level. To solve Tibet's development problem, we must, first of all, seriously study and implement the guidelines of the Third Forum on Work in Tibet, unify our thinking, raise our understanding, accelerate economic development, and further unify our understanding of the Dalai clique's nature [jin yi bu tong yi dui dalai ji tuan di xing zhi di ren shi], and the struggle against separatism. We should seriously do a good job in our united front work, nationality affairs work, and religious work. We should also strengthen the party's own building. We should make progress in those things. We should implement and properly take advantage of the preferential policies formulated by the central authorities for us and do a good job in the 62 large-scale projects with support from the central authorities and various provinces, municipalities, and autonomous regions. We should do all work in a solid way, whip up the enthusiasm of the masses of various nationalities, and do practical things. In this way, we can certainly achieve a relatively big development in Tibet, strengthen stability, and create a new situation in Tibet's work. [passage omitted]

Tibet Party Committee Plenum Relays Forum Guidelines

OW0409161994 Lhasa Tibet Television Network in Mandarin 1200 GMT 1 Sep 94

[Announcer-read report over video; from the "Regional News Hookup" program]

[Text] On the morning of 1 September, the Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional Party Committee opened grandly at the Hall of the People. The session, which was a significant milestone in the Tibet Autonomous Region's history, was held to implement the guidelines of the Third Forum on Work in Tibet convened by the CPC Central Committee and the State Council. [video opens with a conference hall where 13 people are seated on the rostrum under a red banner facing several hundred people]

Chen Kuiyuan, secretary of the autonomous regional party committee, Raidi, Gyaincain Norbu, Guo Jinlong, Basang, and Danzim, deputy secretaries of the autonomous regional party committee; and Yang Chuantang, Zi Cheng, Lieque, Puqung, (Lu Huiming), and Li Guangwen, members of the autonomous regional party committee standing committee, attended the session and were seated on the rostrum. Pagbalha Geleg Namgyai, vice chairman of the National People's Congress Standing Committee and chairman of the autonomous

regional committee of the Chinese People's Political Consultative Conference [CPPCC], was also seated on the rostrum as a delegate specially invited by the autonomous regional party committee. More than 500 people attended the session. They included autonomous regional party committee members and alternate members; provincial-level cadres with party membership; members of the autonomous regional discipline inspection commission standing committee; party committee secretaries and deputy secretaries, commissioners, and leading cadres with party membership from people's congresses and CPPCC committees in various prefectures or prefecture-level cities; party committee secretaries, people's congress standing committee chairmen, county magistrates, and CPPCC committee chairmen in various counties or county-level cities; and responsible persons from the relevant departments and bureaus of organs directly under the central and autonomous regional authorities.

Comrade Chen Kuiyuan chaired the session. He said: The main tasks of the current session are to relay and implement the guidelines of the Third Forum on Work in Tibet convened by the CPC Central Committee and the State Council, safeguard stability, expedite development, and, with the selfless assistance from fraternal provinces and municipalities across the country, shake off poverty as quickly as possible and achieve fairly comfortable living standards by the turn of the century along with people in other parts of the country. He said: The Third Forum on Work in Tibet was a meeting reflecting a strategic policy decision. It represented an action program and a strategic policy decision developed by the CPC Central Committee and the State Council for Tibet during the new historical period. It constituted a new starting point and opportunity for Tibet's development, and created good conditions for the region's development. By taking into account the general situation, the forum analyzed Tibet's situation, laid down ideas for Tibet's development, and drew up measures for stabilizing Tibet. Viewing Tibet from an overall strategic perspective, it treated Tibet as a border region of strategic importance. The forum was of vital importance to Tibet's development. Whether we can seize the opportunity will depend on the rallying power of our party members and on the unity of the people of Tibet under the leadership of the CPC Central Committee and the State Council. Whether the forum was successful and achieved its intended goals depends on the people's understanding and implementation of its guidelines after the forum.

Comrades Gyaincain Norbu, Guo Jinlong, Basang, and Danzim, deputy secretaries of the autonomous regional party committee, respectively, relayed the speeches of Comrades Jiang Zemin, Li Peng, and Li Ruihuan, and the opinions of the CPC Central Committee and the State Council on expediting development and safeguarding social stability in Tibet. In his summing-up address, Chen Kuiyuan, secretary of the autonomous

regional party committee, noted emphatically: In carrying out the session's business over the next few days, all comrades present must take central documents as a guide and gain a profound and full understanding of the ideas laid down by the forum for expediting development and safeguarding stability. Through studies, they should stress efforts to solve problems that reflect a lack of confidence in emancipating the mind, changing concepts, expediting development, and safeguarding stability. They should also earnestly solve their own ideological problems and genuinely forge an ideological agreement with the guidelines of the Third Forum on Work in Tibet convened by the central authorities, and with efforts to stabilize the situation, expedite Tibet's economic development, and promote Tibet's progress.

Tibet Scientists Shift Focus to Practical Economic Needs

OW0309065694 Beijing XINHUA in English 0332
GMT 3 Sep 94

[Text] Lhasa, September 3 (XINHUA)—Scientists in the Tibet Autonomous Region have shifted the focus of their work in recent years from pure academic research to serving the practical needs of the local economic development.

The 10,000-membership autonomous region's science and technology association, which covers 50 academic groups, has organized in-depth surveys of the rural and pastoral areas, producing 46 research findings.

One of these findings, which proposed ten measures to help increase the grain output by means of science and technology and which was put into practice in 1989, helped the region to achieve a record-high grain output in 1990.

Last year three scientific associations produced another report on the promotion of both agricultural quality and efficiency, which is expected to be another major guideline for the region.

Scientists have organized training courses for vegetable growers in seedling raising, pruning, and the prevention of plant diseases and insect pests.

In pastoral areas, scientists have developed a method of eliminating rats by biological methods and held training classes for herdsmen.

Promotional activities are varied, and they include scientific film weeks, science quizzes, street exhibitions and tv science programs. A 20-series documentary film in both the Han and Tibetan languages has been made to help acquaint farmers with agro- techniques.

'Economic Construction Boom' Under Way in Tibet

OW0209144494 Beijing XINHUA in English 1404
GMT 2 Sep 94

[Text] Lhasa, September 2 (XINHUA)—Encouraged by the central government, the whole of the Tibet Autonomous Region has been mobilized in a new economic construction boom, according to local officials.

In July this year a national conference on Tibet was held in Beijing, which decided to initiate 62 construction projects involving 2.38 billion yuan (280 million U.S. dollars) to mark the 30th anniversary of the founding of the Tibet Autonomous Region.

The construction scale is the largest ever in the region. Every county in the region will get at least one project.

The central government also decided to mobilize financial support from other localities of the country for 32 of the projects, with the biggest assistance from one province expected to top 60 million yuan.

Tibet's government and people have been highly motivated to promote the economic development of "the roof of the world" by the central authorities, local officials said.

The projects range from agriculture, energy, industry, telecommunications and transportation to social development and technical transformation.

After they become operational the 62 projects will increase the hydroelectric power generation capacity by 30,000 kw, which will increase the annual electricity-generation capacity by 166 million kwh, accounting for 46 percent of the total electricity generation in the region in 1992.

The projects are also designed to produce 20,000 lines of telephone exchange capacity; flour-processing capacity of 17,500 tons; and an additional 1,500 tons of rapeseed oil. In addition, the daily water supply will increase by 16,000 tons.

At the same time, Tibetan hospitals will get 400 more beds, and middle schools will enroll 49,000 more students.

Between 1995 and 2000 the annual growth of fixed assets in Tibet is expected to be about 30 percent, and that of its gross product, 10 percent, higher than the national average.

The Tibetans are now going all-out for construction. The regional government has decided to reduce taxes for projects receiving outside support by a total of 160 million yuan. Departments concerned are trying all means to ensure the supply of materials and machinery for the construction.

Central governmental, provincial and city institutions have already sent groups to make over 20 inspection tours of Tibet for the preparation of the assistance program.

Of the 62 projects, 17 are expected to be put into operation this year and 44 next year, local officials disclosed.

Tibetan Architects Help Renovate Potala Palace

OW0509115694 Beijing XINHUA in English 0931
GMT 5 Sep 94

[Text] Lhasa, September 5 (XINHUA)—A group of Tibetan architects were among those who contributed

their talents to the historic renovation of the Potala Palace completed last month.

Because of the fine craftsmanship of the some 300 Tibetan architects, technicians and workers belonging to the Guyi (ancient art) Construction and Fine Arts Company, the five-year arduous renovation project funded by the central government with 53 million yuan was completed with success without any damage and loss of relics.

When two lines of pillars in the eastern hall were found twisted, someone suggested to demolish the structures above the pillars so as to change the them, but Degen, a famous Tibetan carpenter, proposed the traditional way of using hoisting jacks to support the structures while repairing the pillars. His idea, which was put into practice, helped keep the structures intact.

The creativity and genius of the craftsmen also helped save some eight or 10 million yuan of funds.

Zhubtoin, a 79-year-old retired senior stonemason, climbed up to the Potala Palace everyday to conduct strict quality control.

Founded in 1980, the Guyi Company employs some 400 people, including painters, goldsmiths and silversmiths, and construction engineers and workers. Before chosen by the autonomous regional government as a backbone force for the renovation of Potala, it had already been entrusted with a number of renovation projects of major historical sites in Tibet.

Yunnan Governor Addresses Government Executive Meeting

HK0609035494 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 27 Aug 94

[Text] The nine-day ninth provincial people's government executive meeting wound up yesterday afternoon. It summed up the province's economic work in the first half of the year and outlined the province's tasks for the second half.

Governor He Zhiqiang delivered a speech in which he stated: The province's economic work in the second half of the year should focus on furthering in-depth reforms, expediting structural readjustment, adapting to new situations, and making new progress. In the first half of the year, he noted, the province enjoyed steady and healthy economic growth. Despite serious natural calamities and capital shortage, the whole province made concerted efforts to overcome one difficulty after another, and pressed ahead steadily with Yunnan's national economic growth, with the result that the province's gross national product registered an 8.5 percent increase over the same period last year. In addition, Yunnan's collectively owned assets, urban and rural savings deposits, large and medium-sized backbone enterprises, export trade, and per capita income all enjoyed dramatic increases in the first half of the year. The province also energetically

pushed ahead with economic reforms, constantly expanded opening up to the outside world, and started importing whole sets of advanced equipment from foreign countries, thereby infusing fresh vitality into the provincial economy. Yunnan's macroeconomic regulation and control also yielded gratifying results.

Nonetheless, He Zhiqiang continued, the province has yet to fundamentally tackle problems inherent in its own economic mechanism and structure, including capital shortage, financial straits, heavy enterprises burdens, weak agricultural basis, and so on. The key to resolving these problems, he said, lies in deepening reforms, expediting structural readjustment, and adapting to new situations. We should make redoubled efforts to readjust in an expeditious manner the following four structures: Investment structure, credit and loan structure, industrial structure, and ownership structure, with the latter, he added, as the crucial link. We should develop a pluralistic investment structure, use more foreign capital, install more advanced foreign equipment, further expand the scale of credit and loans, accelerate industrial and tourism development, develop and adopt preferential policies toward high-grade economic crops, effect a strategic transformation of the province's metallurgical industry, and energetically build a manufacturing industry.

He Zhiqiang emphatically noted: In the second half of the year, first and foremost we should strengthen agricultural production in order to reap a good agricultural harvest and further increase peasants' income. The province also should expeditiously readjust the agricultural production structure; successfully turn enterprise losses into profits; deepen reforms; establish a modern enterprise system on a trial basis; accelerate financial and banking structural reform, rural reform, and investment structural reform; successfully list shares on the market; rapidly build key projects; ensure sufficient market supplies; basically stabilize commodity prices; fulfill this year's grain purchase, storage, allocation, and transportation quotas; ensure a bumper vegetable supply; resolutely combat corruption and build a clean government; energetically straighten out malpractices; vigorously investigate and handle each and every major and serious case; step up the building of clean government building and the legal system within various provincial departments and bureaus; and make continued efforts to fight natural calamities and provide disaster relief to afflicted areas.

Yesterday's meeting was attended by Vice Governors Zhao Shumin, Niu Shaoyao, Liu Jing, Huang Bingsheng, and Yang Jianqiang; by Wu Guangfan, secretary general of the provincial people's government, those in charge of the provincial people's government's commissions, offices, departments, and bureaus; and some others.

Yunnan Holds Meeting on Assisting Poor Areas

HK0609142894 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 28 Aug 94

[Excerpts] Between 25 and 26 August, the Provincial Government held a meeting on how to give assistance to

the poor areas and to support economic development in Simao Prefecture. The meeting considered the issue of quickening economic and social development in Simao Prefecture. Provincial Governor He Zhiqiang presided over the meeting. Deputy Governors Niu Shaorao and Yang Jianqiang and leaders of the relevant provincial departments attended the on-the-spot work meeting. They seriously listened to the work report given by the Simao Prefectural Government on how they plan to give assistance to the poor and on their economic development strategy. A lot of feasible ideas and proposals were put forth at the meeting.

At the meeting, Governor He Zhiqiang gave a speech entitled emancipating the mind, giving play to the local advantages, and creating prosperity in Simao at an early date through quickening the pace of reducing poverty and improving development. He said: Since the founding of the People's Republic and especially since the Third Plenary Session of the 11th CPC Central Committee, Simao Prefecture has achieved marked results in the work of assisting the poor and improving development. Economic growth has been continuing at a rather high speed, the industrial structure has been adjusted somewhat, the conditions of infrastructural facilities have markedly improved, and the development of the Lancang Jiang has started. [passage omitted]

He Zhiqiang stressed: It is necessary to strengthen the foundation of agriculture and speed up the pace of agricultural development. For this purpose, it is necessary to organize the second-phase comprehensive development projects and the international-fund-supported projects in the remote border areas of the Southwest region. The projects will build 2.4 million mu of good fields with stable and high crop yield. The commodity grain production bases should be strengthened. Six to eight intermediate-sized reservoirs will be built. It is also necessary to build 10 production bases to produce tea, silk worm cocoon, sugar cane, and other cash crops. Marked results should be achieved in the next five years.

He Zhiqiang said: The work of assisting the poor should be properly handled in the course of the expansion. Top priority should be given to enhancing the quality of laborers. It is necessary to adjust the economic structure and develop the four pillar industries, thus making the industrial output value exceed the agricultural output value. Waste mountains should be developed intensively stretch by stretch in an integrated pattern. Efforts should be made to develop townships and town enterprises and individually-run businesses and private enterprises. Thus, the limited funds for assisting the poor can be used in the most efficient way. Simou should be built into an important center of Yunnan. [passage omitted]

Before the meeting, He Zhiqiang visited Simou Port, Simeng Wa Nationality Autonomous County, Lancang Labu Nationality Autonomous County to inspect work there and to find out the actual living conditions of the local people. He was welcomed by local cadres and the local masses.

North Region

Tiananmen Square To Be Remodeled for 1 Oct National Day

OW0309153794 Beijing XINHUA in English 1512 GMT 3 Sep 94

[Text] Beijing, September 3 (XINHUA)—Tiananmen Square and the Tiananmen Rostrum will be renovated to meet China's 45th national day, October 1, sources at the Management Committee of the Tiananmen Square Area said.

Inside the square 64 lotus-shaped lamps, which were installed in the late 1950s, will be replaced with up-to-date lamps. And lamps around the square and along Changan Avenue will also be changed for new types.

Accordingly, new power supply facilities, such as transformers with bigger capacities and new cables are being installed.

In front of the Tiananmen Rostrum the 56 fountains installed in 1992 will be renovated to have more spraying formations.

The Rostrum, viewing stands and red walls will be repainted.

The portrait of Mao Zedong at the front of the rostrum will be replaced by one painted on a single plate of fiber-glass-reinforced plastic.

Sources said that on the evening of the national day 16 searchlights and 22 laser lights in the square will send out their beams, together with a fireworks display.

Beijing Tightens Measures To Deal With Tabloids

OW0109061294 Beijing XINHUA Domestic Service in Chinese 0759 GMT 31 Aug 94

[Text] Beijing, 31 Aug (XINHUA)—More and more tabloids sold at vendors' stands in Beijing and in some large- and medium-sized cities violate relevant regulations. The departments concerned will step up inspection of these small-sized newspapers before the National Day. Relevant state organs have issued a circular on banning various kinds of illegal publications. They will give severe warnings and disciplinary sanctions to units and individuals that violate regulations.

Relevant departments recently conducted a spot check of some tabloids sold at vendors' stands in Beijing. As the newspaper publication sector continues to boom, increased numbers of illegal tabloids are found in the streets. These departments found that some inner circulation papers are published publicly, some papers go against their own principles and publish a large number of vulgar articles, some tabloids print other papers' articles without authorization, some people print paper-type advertisements, and some people make and sell copies of some popular pages of newspapers.

The Newspapers Administrative Department of the PRC Press and Publications Administration and the Market Administrative Office and the Newspapers and Magazines Administrative Office of the Beijing Municipal Press and Publications Bureau jointly conducted the spot check of Beijing's book, newspaper, and periodical markets. They confiscated some illegal books as well.

According to these departments, Beijing and other localities will intensify efforts in this field on the eve of the 45th National Day.

Beijing Holds Executive Meeting on Checking Price Hikes

SK0209040694 Beijing *BEIJING RIBAO* in Chinese 27 Aug 94 p 1

[By reporter Sun Yushan (1327 3768 1472): "Regard Checking Overly Rapid Price Hikes as a Major Matter Affecting Reform, Development, and Overall Stability"]

[Text] At the 39th municipal government executive meeting held on 26 August, Mayor Li Qiyuan stressed: Governments at all levels, and all departments, trades, units, and localities should resolutely implement the spirit of the State Council circular, grasp the checking of overly rapid price hikes as a major affair that affects reform, development, and overall stability, and resolutely and rapidly implement the municipal measures for checking the overly rapid price hikes.

Since the beginning of this year, the economic situation of the entire municipality has been good, showing the development of production and an economic increase. Since July, owing to natural disasters and other reasons, the production and supply of hogs and vegetables have been greatly affected, a rebound in the price index has emerged, and the prices have risen up again, bringing certain influence to the lives of residents in cities and towns. Governments at all levels have paid great attention to this.

In his speech, Li Qiyuan said: The socialist market economy is not an economy free of control from the government. Governments at all levels have to shoulder the major responsibility of comprehensive regulation and control. Of this, checking the overly rapid price hikes in the market is the core and priority of regulation and control. It has a bearing on the daily life of the masses of people, social stability, and the prestige of the party and the government, and is a major issue concerning support of the people. Governments at all levels and all departments, trades, units, and localities should grasp the checking of the overly rapid price hikes as a major affair that affects reform, development, and overall stability and consciously strengthen regulation and control over market prices. When the price issue is solved, it will provide good conditions for economic development and enhance the confidence of the masses of people in reform. Resolute efforts should be made to rapidly implement Beijing's various measures for

checking the overly rapid price hikes, realistically strengthen supervision and inspection of market commodity prices, resolutely investigate and strictly handle the units and individuals that violate price policies and discipline in line with law, resolutely expose the cases of those who ignore the overall situation, harm the interests of the masses, and force prices up to reap staggering profits, and handle them heavily and rapidly.

Li Qiyuan stressed: It is necessary to do a good job in price supervision work, clear the circulation sphere, and reduce intermediate links. Some vegetable peddlers have directly travelled to the fields to help peasants collect vegetables and delivered the vegetables directly to the market. Thus, the intermediate links are reduced and the prices are low. However, if some peddlers resell the vegetables at a profit through three or more links, the prices will become high. We should clear the circulation channels, broaden the sources of income, replenish the stocks, strengthen allocation and transport, coordination, and management, have rigid measures for "putting down" prices, and try by all possible means to check the trend of the overly rapid price hikes. The Far East and South Pacific sports meet, the Mid-Autumn Festival, and the National Day will come very soon. It is more necessary to firmly and practically grasp market supply and price management, guarantee Tianjin's market invigoration and ample supply of commodities in the first place, guarantee the supply of moon cakes, meat, fruits, and vegetables, and make sure that the prices are reasonable. We should guarantee that the people can have "meat of reliable quality," set up checks to strictly manage pork quarantine, and guarantee the quality of products through division of work and responsibility. By no means should we let pork from sick or dead hogs and meat with water enter the market. All law enforcing departments should adopt strict means and attend to this aspect relentlessly. It is hoped that all sectors across the municipality will make common efforts and grasp the major affair of checking overly rapid price hikes well.

Beijing Uses Foreign Loans To Increase Development

OW0209133294 Beijing *XINHUA* in English 1020 GMT 2 Sep 94

[Text] Beijing, September 2 (XINHUA)—Beijing had signed 1.67 billion U.S. dollar loan contracts by the end of June this year, a senior municipal government official said here today.

The loans will be used to finance 150 projects closely associated with urban construction and people's livelihood, the official said.

The loans mainly come from foreign governments, the World Bank, and international financial institutions, according to Wan Jifei, deputy director of the municipal commission of foreign trade and economic cooperation.

Over the past 15 years, Beijing has used foreign loans and donations amounting to 820 million U.S. dollars

from 14 countries, including Japan, Italy, Germany, Sweden, Switzerland, Canada and Spain.

Beijing began to accept overseas aid from 1979. To date, it has obtained 29.9 million U.S. dollars of multilateral aid projects for use in 33 projects from the development programme of the United Nations and 86.6 million U.S. dollars of bilateral aid for use in 15 projects from Japan, Australia, Germany and Canada.

The loans were used to finance projects in industry, agriculture, food, environmental protection, fire prevention and control, medicine and transportation.

Sources disclosed that before 2000 the Beijing Municipal Government will use three billion U.S. dollars loans, of which 60 percent will be used in constructing infrastructure projects and 40 percent in promoting industrial and agricultural export production. The total amount of indirect foreign capital to be used by 2000 will come to more than five billion U.S. dollars.

Wan announced that a seminar on Beijing's projects financed by overseas loans and donations will be held September 13-14 in Beijing.

Beijing Rural Enterprises Move Into World Market

OW0109032394 Beijing XINHUA in English 0208
GMT 1 Sep 94

[Text] Beijing, September 1 (XINHUA)—Rural enterprises in Beijing hope to earn as much as 800 million U.S. dollars in exports this year, local officials told a meeting to recruit technology investors for the enterprises.

Products of the rural enterprises have been sold in dozens of countries and regions worldwide. Overseas footholds, in the form of factories and representative offices, have been gained by some rural enterprises, the officials said.

Some 2,300 Sino-foreign joint ventures have also been set up in the suburbs of Beijing, with a total investment of 3.62 billion U.S. dollars.

The meeting was aimed at importing equipment for the enterprises through bidding, in accordance with international practises.

There are 20,000 rural enterprises in Beijing, with 1.03 million workers and total assets of 8.9 billion yuan.

They produce about half of the industrial output of the city.

Beijing's Economic Growth Surpasses National Average

HK0609062494 Beijing RENMIN RIBAO in Chinese 1
Aug 94 p 1

[By staff reporter Yan Shigui (7346 0013 6311): "Beijing's Economic Growth Is Encouraging; Growth in the First Half of This Year Exceeds National Average for First Time"]

[Text] Beijing, 31 Jul (RENMIN RIBAO)—Beijing Municipality has overcome difficulties, made strenuous efforts, and scored gratifying achievements in national economic and social development. In the first half of this year, Beijing's growth exceeded the national average for the first time. Of this, industrial economic efficiency increased simultaneously with growth, and the profits and taxes of the independent accounting enterprises at and above the township level totaled 9.23 billion yuan—an increase of 26 percent over the same period last year. Social general supply and demand were balanced, and all the reforms proceeded smoothly.

According to figures provided by the municipal statistical bureau, the municipality's GNP in the first half of the year totaled 47.878 billion yuan—an increase of 13.4 percent over the same period last year (calculated in terms of comparable prices), which is higher than the 11.6 percent growth registered last year. Of this, primary industry rose 1.6 percent, secondary industry went up 15.1 percent, and tertiary industry grew 13.3 percent.

Facing the market, Beijing made strenuous efforts in industry, and maintained rapid growth. In the first half of the year, the output value of industry at and above the township level amounted to 58.94 billion yuan—an increase of 21.9 percent over the same period last year, and 3.1 percentage points higher than the national average. The proportion of nonpublic sector in the total output value accounted for 50.2 percent.

Foreign trade increased sharply. Imports and exports in the first six months totaled \$1.325 billion—up 19.1 percent over the same period last year, of which exports amounted to \$968 million—up 27.6 percent. New breakthroughs also were made in attracting foreign investment. The municipality approved 1,268 foreign-funded enterprises in the first six months, and made actual use of \$700 million of foreign capital—a rise of 250 percent over the same period last year.

Agriculture developed steadily, with new progress made in the "Vegetable Basket" project. Further bumper harvests were reaped in summer grain and crops this year, with the unit-per-area yield hitting an all-time high of 395 kg. Despite the reduction in sown area by 200,000 mu, total output topped 970 million kg. Output of agriculture, sideline production, vegetables, and eggs increased by 25.5 percent and 14.9 percent, respectively, over the same period last year. Output of milk started to recover beginning in the second quarter, which basically met the requirements of the inhabitants.

The market for consumer goods was brisk and flourishing. The volume of retail sales in the first six months totaled 31.84 billion yuan—up 22.2 percent from the corresponding period last year. Food, garments, and articles for daily use increased by 23.1 percent, 46.5 percent, and 16.6 percent, respectively. The total value of commodities purchased rose 22.8 percent over the same period last year.

Hebei's Semi-Annual Revenue Figures Noted

SK0209062494 Shijiazhuang HEBEI RIBAO in
Chinese 25 Jul 94 p 1

[Summary] In the first six months of this year, the new financial and tax systems were normally implemented in the province, and the province registered an increase in revenues. As of the end of June, the province's revenues reached 7.42 billion yuan (including 3.45 billion yuan of the central-level revenues) an increase of 33 percent over the corresponding period last year. Of this, the local-level revenues reached 3.97 billion yuan, accounting for 49.4 percent of the annual budgeted target and showing an increase of 33.2 percent over the same period last year.

Hebei: Death Sentences to Robbers of Firearms, Ammunition

SK0209143994 Shijiazhuang HEBEI RIBAO in
Chinese 20 Aug 94 p 1

[By reporter Guo Lianshen (6753 6647 3947): "Two Firearms and Ammunition Thefts Were Given the Death Penalty"]

[Text] On 18 August, the Shijiazhuang Intermediate People's Court held a meeting to openly hear an extraordinarily serious case concerning Li Wenbo and Shi Wenquan who stole firearms and ammunition, which shocked the entire province. Through the first ruling, the court pronounced the death penalty on the two criminals and the deprivation of their lifelong political rights.

On the evening of 12 March, Criminals Li Wenbo and Shi Wenquan, along with the tools they used to commit the crimes, snuck into a certain unit in the provincial capital and stole six 54-caliber pistols, four 64-caliber pistols, and more than 1,000 rounds of ammunition.

From September 1991 to February 1993, Criminals Li Wenbo and Shi Wenquan also respectively snuck into the courtyard of a certain unit as well as the clothing warehouse of another unit in the provincial capital, stealing two recorders for use in sedan cars, 500 sets of "83-style" police uniforms, five Japanese-made video cameras, and 1,800 yuan. On the evening of 25 April 1994, Criminal Li Wenbo also snuck into a certain unit in Taian in Shandong Province, stealing more than 5,000 yuan, more than 3000 yuan of stocks, and some silver dollars. Their stolen goods and money totaled 310,000 yuan.

Inner Mongolia Party Secretary Inspects Baotou

SK0409075994 Hohhot NEIMENGGU RIBAO in
Chinese 23 Aug 94 p 1

[Text] During his investigation and study in Baotou, Liu Mingzu, secretary of the autonomous regional party committee, pointed out: The guiding ideology and working demands are totally in conformity with the autonomous region's reality which were put forward by Hu Jintao, Standing Committee member of the Political

Bureau and member of the Secretariat under the CPC Central Committee, in his speech made during his inspection tour of the autonomous region with regard to integrating the spirit of the 14th CPC Congress, the spirit of the Third Plenary Session of the 14th CPC Central Committee, and Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics based on the actual situation prevailing in the autonomous region. Various localities, departments, and units across the autonomous region should earnestly study and grasp the ideology and demands by bearing in mind their own actual situation, which has an important significance on promoting the region's work presently or in the future. Efforts should be made to implement in a down-to-earth manner the spirit of Comrade Hu Jintao's speech, and to further expand the region's excellent situation in reform, development, and stability.

After he took up the post, from 19 to 21 August Liu Mingzu, secretary of the autonomous regional party committee, went deep into Baotou, the largest industrial city in the autonomous region, to investigate and study. He visited the Baotou Rare Earth Company and the Neimenggu no. 1 and no. 2 machine-building plants as well as their subsidiaries and general or sub-plants to hold talks with the leadership or workers on their production and living conditions.

After hearing the briefing given by the Baotou party committee and the city people's government, Comrade Liu Mingzu fully acknowledged the work done by the city. He stated: Since the enforcement of reform and opening up over the past 15 years, the achievements made by Baotou in developing the economy and maintaining political stability, the unity of the nationalities, and social progress have been great. These achievements have made marked contributions to the region's development. Comrade Liu Mingzu pointed out: Baotou has worked out new ideas in dealing with the relationship between reform, development, and stability. Measures and methods adopted by the city in this regard are correct. In particular, methods adopted by the city represent the excellent experience gained by it, in which it has enforced the development strategy of "having large enterprises bring along small enterprises, having heavy industrial enterprises bring along light industrial enterprises, having urban areas bring along rural areas, relying on scientific and technological progress, and vigorously developing neighborhood and export-oriented enterprises." It has also established markets for helping the poor, and has helped staff members and workers who have encountered living difficulties to overcome their problems. He urged Baotou to uphold what has been proved as correct and to continuously improve. Efforts should be made to analyze and study money-losing enterprises one by one, and to enforce the principle of setting forth a specific policy for a specific plant so as to let the policy deal with the problems of that plant only. We should adopt every possible way and means to help enterprises deepen their reform and broaden their production avenues to overcome their difficulties.

In citing the issue of how to implement the spirit of Comrade He Jintao's speech made during his inspection tour of the autonomous region, Liu Mingzu pointed out: The speech by Comrade Hu Jintao is important and timely, and is in total conformity with the region's reality. It demonstrates the concern shown by the CPC Central Committee for the people of various nationalities across the autonomous region. He urged various localities and various departments and units at all levels to attach great importance to studying and implementing the spirit of Comrade Hu Jintao's speech, and to link their own reality with the studying and grasping of the spirit of the speech. He also urged them to study the contents of the speech one by one, to put forward specific measures of their own for implementing the spirit of the speech, and to vigorously grasp the implementation of that spirit. Efforts should be made to have the drive to study and implement the spirit of Comrade Hu Jintao's speech promote the region's work in various fields in order to achieve new improvement.

Inner Mongolia Secretary Attends CPC Meeting

SK0309112094 Hohhot NEIMENGGU RIBAO in
Chinese 18 Aug 94 p 1

[By reporter Chen Li (7115 0500): "Unite As One, Seek Truth, and Be Pragmatic; Pioneer the Way Forward; and Continue To Promote Reform, Development, and Stability"]

[Text] The autonomous regional party committee held an (enlarged) standing committee meeting on the afternoon of 17 August. Liu Mingzu, secretary of the autonomous regional party committee, gave an important speech; Wu Liji, deputy secretary of the autonomous regional party committee, spoke on behalf of the standing committee. The important instructions given by Comrade Hu Jintao during his inspection of Inner Mongolia were relayed at the meeting.

Wang Qun, chairman of the autonomous regional people's congress Standing Committee, chaired the meeting. Attending were Qian Fenyong, Bai Enpei, Wang Zhan, Wuyunqimuge, Feng Qin, and Peng Cuifeng.

At the beginning of the meeting, Comrade Wang Xudong, deputy director of the Organization Department of the CPC Central Committee, read the decision of the CPC Central Committee on the personnel changes concerning the principal leader of the Inner Mongolia autonomous regional party committee.

Comrade Liu Mingzu said he obeyed with pleasure the decision of the party Central Committee on transferring him to work in the Inner Mongolia autonomous regional party committee. He also pledged utmost efforts to work with the support and assistance of leading bodies at all levels and veteran comrades of the autonomous region.

Liu Mingzu stated: There are many favorable conditions for improving Inner Mongolia's work. First, there is the correct leadership of the party Central Committee with

Comrade Jiang Zemin as the core; the line, principles, and policies formulated by the party Central committee since the third plenary session of its 11th committee; and the series of important instructions given by the party Central Committee for improving Inner Mongolia's work, especially the many important instructions on Inner Mongolia's work recently given by Comrade Hu Jintao, which have an extremely important meaning in Inner Mongolia's future development as well as my future work here. Second, there is the collective leadership of the autonomous regional party committee. The regional party committee is a united leadership collective, and thus is an effective guarantee for success in Inner Mongolia's work. Third, the Inner Mongolia Autonomous Region has glorious revolutionary traditions; people of various nationalities in the region harbor deep feelings toward the party, and have full confidence in building socialism with Chinese characteristics as well as tremendous creativity and enthusiasm. This is the most fundamental force we can rely on to further develop Inner Mongolia and make it prosper. Fourth, there is a group of very experienced veteran cadres and comrades who are deeply concerned about Inner Mongolia's promotion of the two civilizations. With their support and assistance, we are totally confident in further improving Inner Mongolia's work in various fields. Fifth, the Inner Mongolia Autonomous Region is exemplary thanks to the close unity and hard work of its various nationalities. This is Inner Mongolia's political advantage, and an important favorable condition for it to deepen reform, promote development, and maintain stability. Sixth, Inner Mongolia has vast territory; abundant resources; a fairly good foundation for agriculture, animal husbandry, and industry; and great potential. In particular, since the third plenary session of the 11th party Central Committee, Inner Mongolia's reform and development in all fields has been greatly promoted, which has provided good conditions for its future development.

Liu Mingzu emphasized: The current situation in Inner Mongolia is the result of the hard efforts of previous party committees and governments, as well as cadres and masses throughout the region. We should highly value this situation, continue to work hard based on this good foundation, never fall short of the ardent expectations of the party Central Committee and the expectations of the people of various nationalities in the region, and make new headway in Inner Mongolia's reform and development in all fields.

Liu Mingzu added: With the support, assistance, and supervision of a large number of party members, cadres, and ordinary people in Inner Mongolia, I will fulfill all duties along with you, comrades. First, I will assiduously study Marxism-Leninism-Mao Zedong thought, and at present will particularly study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics in line with reality, and will use this scientific theory to arm my mind and guide my work. Second, I will emancipate the mind, seek truth, and be pragmatic;

will be keen in making progress; will truly proceed from reality in doing everything; will successfully implement the party Central Committee's line, principles, and policies, including the policies on nationalities and religious affairs; and will carry out to the letter the guidelines of the 14th party congress, the third plenary session of the 14th party Central Committee, and various central instructions. I will uphold the party's basic line; adhere to the principles of stability and unity; correctly handle the relationship between reform, development, and stability; and make overall plans and take all factors into consideration while focusing attention on major work. I will do more practical work for the masses. Third, I will adhere to the party's mass line and rely on people of various nationalities to successfully carry out Inner Mongolia's work. I will go deep into the reality of life in order to conduct investigation and study, maintain close ties with the masses, acquire the ability to pool the wisdom of the masses, respect people, be more persuasive, and mobilize all positive factors to accelerate Inner Mongolia's development. Fourth, I will conscientiously implement the principle of democratic centralism and maintain a high degree of unity with the party Central Committee. I will uphold the unity within leading bodies, the unity of nationalities, and the unity between the army and government and between soldiers and civilians. Fifth, I will modestly accept the supervision of party members, cadres, and ordinary people; will conscientiously conduct criticism and self-criticism; will emphasize principles in handling major affairs; and will emphasize good styles when handling minor ones. I will remain honest and self-restrained, set a good example, never abuse my power to seek selfish gains, and never engage in bureaucracy while in my official post.

In conclusion, Liu Mingzu pointed out: Accelerating construction and developing Inner Mongolia represent the ardent expectations of the party Central Committee from the party members, cadres, and ordinary people in Inner Mongolia. Under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, let us work hard in unity and pioneer the way forward with the party members, cadres, and ordinary people of various nationalities in Inner Mongolia, and let us make our due contributions to Inner Mongolia's prosperity and development.

Wu Liji gave a speech on behalf of the standing committee of the autonomous regional party committee. He stated: The Standing Committee of the autonomous regional party committee unanimously supports the decision of the party Central Committee, will render full support to Comrade Liu Mingzu's work, and will unite as one under his leadership to make Inner Mongolia's work even better.

Wu Liji relayed Comrade Hu Jintao's important instructions given during his inspection in Inner Mongolia, and on behalf of the Standing Committee of the autonomous regional party committee, put forward specific demands on the study and implementation of the instructions.

Responsible comrades with party membership from the major leading bodies of the autonomous region, as well as responsible persons from various leagues, cities, departments, committees, bureaus, and colleges and universities, were present at the meeting.

Inner Mongolia Personnel Appointments

SK0209062194 Hohhot NEIMENGGU RIBAO in Chinese 18 Jul 94 p 1

[Text] The name list of personnel appointments was adopted by the ninth standing committee meeting of the eighth Inner Mongolia Regional People's Congress on 17 July.

Zhou Haide [0719 3189 1795] was appointed chairman of the Inner Mongolia Regional Economic and Trade Commission; Baiyindelihai [4101 7299 1795 0500 3189] was appointed director of the Inner Mongolia Regional Personnel Department; Xin Yongfu [6580 3057 4395] was appointed director of the Inner Mongolia Regional Construction Department; Li Guangchen [2621 0342 1820] was appointed director of the Inner Mongolia Regional Geological and Mining Department; Wang Junyu [3769 0193 3768] was appointed director of the Inner Mongolia Regional Light Textile Industrial Department; Yun Feng [0061 1496] was appointed director of the Inner Mongolia Regional Water Resources Department; Fu Shouzheng [0265 1343 2973] was appointed director of the Inner Mongolia Regional Agricultural Department; Wang Jiaxiang [3769 1367 4382] was appointed director of the Inner Mongolia Regional Forestry Department; Yu Tiefu [0060 6993 1133] was appointed director of the Inner Mongolia Regional Animal Husbandry Department; and Chang Wanfu [1603 8001 1381] was appointed director of the Inner Mongolia Regional Foreign Trade and Economic Cooperation Department.

Personnel Appointments to Inner Mongolian Government

SK0209141494 Hohhot NEIMENGGU RIBAO in Chinese 22 Jul 94 p 2

[Excerpt] Recently the autonomous regional people's government appointed a number of functionaries.

Sun Hailin [1327 3189 2651] was appointed deputy secretary general of the Inner Mongolia Regional People's Government and chairman of the General Office of the Inner Mongolia Regional People's Government; Fan Youkai [5400 3266 1956] was assigned to hold the concurrent post of director of the Inner Mongolia Regional Local Tax Bureau; Liu Shanbao [0491 0810 1405] and Li Ziqing [2621 1311 3237] were appointed deputy directors of the Inner Mongolia Regional Local Tax Bureau; Wang Quanfa [3769 2938 3127] was appointed deputy director of the Inner Mongolia Regional Public Security Department; and Ren Qin [0088 2953] and Li Meng [2621 1322] were appointed

deputy directors of the Inner Mongolia Regional State Security Department. [passage omitted]

Article Views Inner Mongolia's Budget Implementation

SK0309120094 Hohhot NEIMENGGU RIBAO in Chinese 28 Jul 94 p 1

[By reporter Liu Jianjun (0491 1696 6511): "Inner Mongolia Has an Excellent Situation in Implementing the Budget"]

[Text] Our region has positively promoted the causes of reform and economic construction, has made efforts to overcome all difficulties head-on, has ensured a stable development of the national economy and normal operations of the new financial and tax system, and has struck a good balance between revenues and expenditures.

In the first half of this year, the region's revenues totaled 2.38 billion yuan when calculated upon the old standards, an increase of 28.72 percent over the corresponding period last year. The region also fulfilled 40.06 percent of the annual budgeted revenue target. Of this, local revenues were 1.297 billion yuan when calculated in terms of standards fixed in the revenue-sharing system, accounting for 40.9 percent of the annual budgeted target as approved at the second session of the eighth regional people's congress, and showing an increase of 34.19 percent over the same period last year. The refund of tax revenues handed over to the central financial department totaled 1.08 billion yuan, an increase of 22.72 percent over the same period last year. In the first half of this year, the region's expenditures totaled 3.06 billion yuan, fulfilling the annual budgeted target by 36.24 percent and showing an increase of 13.17 percent over the same period last year.

This year, financial and tax departments across the region have conscientiously implemented the guidelines of the third plenary session of the 14th party Central Committee and the (enlarged) eighth plenary session of the fifth regional party committee; have positively created conditions to ensure the smooth implementation of various major reform measures; have positively pioneered new ways to make money; have pioneered new financial resources on the basis of changing the managerial mechanism of state-owned enterprises and improving enterprises' economic results; and have further enhanced the management of tax revenues. In regard to the new situations and problems cropping up in the course of reforming the financial and tax system, the regional government and regional financial and tax department have organized forces in a timely manner in order to conduct investigations and study; have worked out a solution; and have created conditions for smoothly replacing the old financial and tax system with a new one.

Financial departments at various levels have firmly fostered the new thinking about economic development,

with the focus on increasing economic results. According to the situation of dividing the tax categories following the implementation of the revenue-sharing system, financial departments have supported the work of pioneering local tax resources; have regarded the development of town and township enterprises and the enhancement of the management of tax revenues as banners and major financial resources of counties; and have continued to attend to the construction of the experimental zones for supporting the development of poverty-stricken areas. Financial departments have further strengthened the management of special funds for supporting the construction of productive projects, have persisted in the method of linking paid use with free use, have defined the focal points of support, have perfected the management system, and have realistically upgraded results from the use of capital. Tax organizations at various levels have adopted positive measures and have tried every possible means to organize revenues while conscientiously grasping the implementation of the new tax system. In the first half of this year, 2.16 billion yuan of industrial and commercial taxes were handed over to the regional financial department, fulfilling the annual budgeted target by 44.01 percent and showing an increase of 29.3 percent over the same period last year. The value of the increased portion of industrial and commercial tax revenues accounted for 90 percent of the total value of the increased portion of total revenues. The main reason was that the number of key trades and key tax categories increased by a large margin. Business taxes totaled 370 million yuan, accounting for 54.25 percent of the annual budgeted figure and showing an increase of 66.16 percent over the same period last year.

To further enhance the management of financial work and stabilize revenues and expenditures since the beginning of this year, the regional financial department has urged all localities, departments, and units to conscientiously implement state and regional standards for relevant outlays as well as the policies on subsidies; to avoid wantonly setting precedents for increasing expenditures and reducing revenues; to firmly foster the idea of tightening belts; and to concentrate limited financial resources on the most needed aspects.

Party committees and governments at various levels, particularly financial and tax departments, are making positive efforts to organize and mobilize all forces in order to increase revenues and reduce expenditures, to adopt measures to achieve the work in all aspects, and to create a good environment for deepening economic structural reform and promoting the setup of the market economy and the smooth implementation of the revenue-sharing system.

Ethnic Minority Education Stressed in Inner Mongolia

OW0609125294 Beijing XINHUA in English 0652 GMT 6 Sep 94

[Text] Hohhot, September 6 (XINHUA)—Jinhua, a 22-year-old Mongolian girl, became an intern judge at her

hometown in the Inner Mongolia Autonomous Region soon after college graduation this year.

The young girl was the fourth college graduate of her family in ar Horqin Flag (county). "I have five children and only one stays with me to tend to livestock," said Jinhua's father, Nomad Queqi.

According to Han Yongjiu, director of the autonomous regional bureau of education, it is not rare for a herdsman's family to send several children to study in college.

Mainly comprising the Mongolian ethnic group in the main, Inner Mongolia set up the first autonomous region in the country. Before the founding of New China in 1949, very few people in the region had received any systematic education.

Since then, the government has attached great importance to the education for ethnic minority people by setting up a bilingual and forming an educational set-up ranking from pre-school, high school to adult education.

Back 47 years ago, temples and lamaseries were seen scattering on the vast grassland but not a single college. However, this grassland now has 19 universities and colleges, which include the Inner Mongolia University, a key institution of higher-learning in the country.

The number of middle schools for ethnic minority children has grown from four to 390 across a vast area from Alxa Gobi in the west to Holun Buir League in northeast. These middle schools have enrolled some 600,000 students.

So far 95 percent of the school-aged children of different ethnic minorities are studying in 3,000 special primary schools in Inner Mongolia. Of the 880,000 students of varied national minorities in school, 750,000 are of Mongolian ethnic group.

These students have the right to learn courses taught in their own ethnic native language or in the standard Chinese or Han language.

A survey shows that more than 40 percent of the Mongolian students have chosen courses taught in their own language.

The autonomous region has also enacted a series of policies and rules, so that the priority of developing national minorities education are protected by law.

Since 1985, the autonomous region has raised 100 million yuan to build boarding schools on the grassland and remote areas where ethnic minority people live in compact communities.

Schools at 450 townships along the 4,200-kilometer-long border line were built with bricks and tiles, and they are accommodating at least 96 percent of the school-aged children from herdsman families.

And 100 counties and cities in the autonomous region are implementing the nine-year compulsory education.

Hundreds of thousands of school graduates are playing an important role in the regional economic and cultural development.

Doctor Xu Gorigan, a professor from Inner Mongolia University, undertook the research project of sheep external fertilization during his advanced study in Japan in 1982, and succeeding in breeding the first tube goat in the world. He was reputed as "father of tube goat" in the kingdom of international biology.

Professor Nenglai Zabu has become a member of the Royal Society of London for his discovery of many varieties of insects.

Editorial on Anniversary of Deng's Tianjin Tour

SK0109120994 Tianjin TIANJIN RIBAO in Chinese 21 Aug p 1

[Editorial: "The Chief Architect's Great Hopes"]

[Text] Today is the eighth anniversary of Comrade Deng Xiaoping's inspection tour of Tianjin. Eight years ago, Comrade Deng Xiaoping personally inspected Tianjin on 19-21 August, during which he fully affirmed Tianjin's achievements in reform and development, put forward Tianjin's advantages and potential for development, and placed ardent expectations on the entire party and people of Tianjin Municipality. The important statement made by Deng Xiaoping while he inspected Tianjin has been included in Volume 3 of the *Selected Works of Deng Xiaoping*. "The statement made by Deng Xiaoping while he inspected Tianjin" is the grand blueprint designed by the chief architect for developing Tianjin, and is a guideline for action to successfully carry out our work. On the occasion of the eighth anniversary of Comrade Deng Xiaoping's inspection of Tianjin, reviewing this statement deeply touched our hearts and greatly encourages us. It is of great significance to deeply implement the guidelines of the "statement" for accelerating Tianjin's reform, opening up, and modernization drive, as well as for creating further brilliant success in Tianjin.

Over the past eight years since comrade Deng Xiaoping's inspection of Tianjin, the municipal party committee and government have persisted in regarding Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as guidance, have conscientiously carried out the guidelines of the "statement," and have united with and led people across the municipality in arduously struggling with one heart and mind. As a result, the spring breeze of reform and opening up has blown stronger and stronger in the vast land of Tianjin, including Tanggu; every year economic construction has advanced with new strides; every year urban development has witnessed great achievements; the people's standard of living has improved noticeably; and the situation of unity and stability has been continuously consolidated and developed. What is more profound is that the spirit of the "statement" has struck root in the

hearts of the people day by day; therefore, it has become the greatest common understanding of 9 million people in Tianjin Municipality to grasp this opportunity and concentrate efforts to accelerate the pace of Tianjin's reform, opening up, and modernization drive. Now the reform, opening up, and modernization drive in Tianjin has entered a new development period. In order to build Tianjin into a commercial and banking center, a comprehensive industrial base with advanced technology, and a large modern international port city open in all directions; in order to make it take the lead in basically realizing modernization; and in order to attain the goal of "invigorating the municipality by making people rich or better off," we should unswervingly stick to Comrade Deng Xiaoping's theory and the party's basic line, continuously deepen and implement the guidelines of the "statement," further emancipate the mind, rouse ourselves for vigorous efforts to make the country prosperous, work hard in a down-to-earth manner, and strive to make the grand blueprint designed by Comrade Deng Xiaoping a beautiful reality for creating Tianjin's brilliant success once again.

To deeply carry out the guidelines of the "statement," we should persist in deepening reform. Comrade Deng Xiaoping pointed out: "These people are still people, this land is still land; but efficiency will be raised as soon as we conduct reform." Reform is the motive force of development and a fundamental way out for solving the deep-seated contradictions of economic life. Presently, owing to reform having entered the period of tackling the most difficult problems for building a socialist market economy system, we should persist in integrating the work of carrying out package reform with making breakthroughs in key areas. Therefore, on the one hand we should conscientiously do a good job in organizing the implementation of the reform of the macroeconomic regulation and control system; on the other hand, we should devote major efforts to deepening enterprise reform, successfully carry out the reform of state-owned enterprises in particular, accelerate the transformation of enterprise management mechanisms, do a good job in decreasing deficits and increasing profits, and raise economic efficiency. There will be great hope to invigorate Tianjin if we successfully carry out enterprise reform and raise economic efficiency.

In order to deeply implement the guidelines of the "statement," we should persist in expanding opening up in all directions. Speaking of Tianjin, opening up is the fundamental move to promote economic development. Comrade Deng Xiaoping stated: "We should implement the work of opening up to the outside world; if we don't carry it out, we cannot survive." Presently, the trend of opening up to the outside world in Tianjin Municipality is quite good, and Tianjin has become one of the hot spots for foreign businessmen to invest in China. We should give full play to our potential and advantages; continue to act in line with the demand of using foreign capital through various channels, in a broader sphere, and at a deeper layer and higher level; emphasize actual

results; and achieve new breakthroughs in this aspect. We should further improve the investment environment and accelerate the pace of using foreign capital and advanced technology in order to transform old enterprises and build urban infrastructure facilities. To draw on the method of opening up and development used by the newly developed Pudong area in Shanghai, we should accelerate development in the newly developed coastal area, continuously expand internal opening up, open Tianjin up wide, and do a good job in rendering services in an effort to make positive contributions to realizing the acceleration of opening up and development in areas around Bohai Bay, which was put forward by the 14th National Party Congress.

In order to deeply carry out the guidelines of the "statement," we should give full play to our political advantages. Comrade Deng Xiaoping pointed out: "With reform, modern scientific technology, and our great attention to politics, our power will be much stronger." Paying attention to giving play to political advantages is one of the basic experiences in Tianjin's work. Under the new historical condition of developing a socialist market economy, we should always uphold and perfect the party's leadership, comprehensively strengthen the party's construction, and give full play to the fighting role of party organizations and the exemplary and vanguard role of party members. We should firmly establish the Marxist mass viewpoint, put the interests of the masses first, think about the masses, do everything for the masses, rely on the masses while carrying out our work, and seek benefits and do solid work for the masses with our utmost efforts. In line with the objective of nourishing people of a new socialist type with ideals, ethics, culture, and a sense of discipline, we should give impetus to the construction of a spiritual civilization; deepen the activities of "building a civilized city and being a civilized citizen"; and strive to enhance the quality of ideology, morality, science, and culture of all people. We should devote major efforts to strengthening ideological and political work, developing fine traditions, summarizing fresh experiences, and exploring new ways. No matter at what time and no matter what we do, we should pay attention to politics and give full play to the enthusiasm and creativity of the broad masses of people. If we can successfully carry out this work, we will be able to lay a solid foundation and obtain a basic guarantee for our undertakings to be successful.

To deeply carry out the guidelines of the "statement," we should strengthen the building of leading bodies at all levels and strive to train and select outstanding young cadres. In a certain sense, the crux of whether or not we can successfully carry out the work in Tianjin and achieve faster economic development lies in the people and cadres. In line with the policy of "selecting cadres of political integrity who are young, better educated, and professionally competent," as well as the principle of recruiting cadres with both ability and political integrity, we should pay attention to selecting a large number of outstanding young cadres. Seeing that young cadres are

growing up in the course of practice, we should act in line with the instruction of Comrade Deng Xiaoping on "placing young cadres at the forefront to shoulder the burden," and let them be tempered and tested in the course of practice so that our undertakings can have successors and can be vigorously developed.

The theory of building socialism with Chinese characteristics put forward by Comrade Deng Xiaoping is the spiritual pillar and brilliant banner for guiding us to continuously go forward and strive for great success in the modernization drive. We should regard the study of Comrade Deng Xiaoping's theory as a long-term and fundamental task. We should conscientiously study the original *Selected Works of Deng Xiaoping*, comprehensively and accurately master the spiritual essence of this theory; grasp the scientific theoretic system; adhere to integrating theory with practice; and exert efforts to deeply dig into the theory and deeply study the important issues, combine study with application, and study for the purpose of application. We should do a good job in deeply studying the "statement" and should successfully carry out the guidelines of the "statement" so as not to let down Comrade Deng Xiaoping's great hope for the entire party and all the people in Tianjin Municipality. Under the leadership of the Party Central Committee with Comrade Jiang Zemin as the core, we should unite as one; spare no efforts in opening up; and continuously strive for new success in Tianjin's reform, opening up, and modernization drive.

Corporate Tax Defaults Affect Tianjin's Revenues

SK0109121994 *Tianjin People's Radio in Mandarin*
2300 GMT 31 Aug 94

[Text] According to a reporter's dispatch from the municipal State Tax Bureau, since the beginning of this year the municipal problem of tax defaults by enterprises for various reasons has become more serious day after day. By the end of July, municipal tax defaults by enterprises increased 1.75-times from the beginning of the year. They are seriously affecting this year's fulfillment of the municipal tax revenue task, and are endangering the balance between revenues and spending in the municipal budget. In order to stop the rapid increase of tax defaults by enterprises, in order to ensure the fulfillment of the municipal tax revenue task, and in order to balance revenues and spending in the budget, the municipal State Tax Bureau will clear up in an overall way the problem of tax defaults by enterprises beginning from 1 September onwards.

Tianjin University Forges Ties With Overseas Schools

OW3108164294 *Beijing XINHUA in English* 1504
GMT 31 Aug 94

[Text] Tianjin, August 31 (XINHUA)—Tianjin University, one of China's elite polytechnical institutions of

higher learning, has established cooperative ties with 60 universities in over 20 countries and regions.

Over the recent few years, the university has invited 631 overseas experts to lecture in the university, 14 world acclaimed scholars to be its honorary professors and another 100 to be visiting professors.

According to a spokesman of the university, the experts and scholars, some of them are Nobel Prize laureates, have brought with them advanced science and technology, which serve to build up the university.

The cooperation between the university and a British Professor K. E. Porter, a world renowned expert in chemical industry, is one such example. With the financial help from Prof. Porter, Tianjin University has successfully developed a material filling device, which can boost efficiency by five times and save energy by 50 percent.

The new technology has been applied in the construction and renovation of over 700 industrial columns nationwide. The renovation of the three ethylene production lines in Yanshan, Daqing and Chang Jiang Chemical Plants has resulted in raising annual economic efficiency over five million yuan each.

Tianjin Holds Conference on Economic Work With Taiwan

SK0109065094 *Tianjin People's Radio in Mandarin*
0000 GMT 1 Sep 94

[Text] The municipal party committee and government held a conference on the economic work with Taiwan on 31 August to relay the guidelines of the State Council conference on the economic work with Taiwan and to arrange Tianjin's economic work with Taiwan.

Zhang Lichang, deputy secretary of the municipal party committee and mayor of Tianjin, attended the conference and gave an important speech. In his speech, he pointed out that over the past few years, party committees and governments at all levels in Tianjin had achieved positive results in their endeavor to conscientiously implement the basic principles of peaceful reunification and one country, two systems as put forward by the central authorities; lay emphasis on economic work, which was the focus; continuously add impetus to their work; and strive to develop the exchanges and cooperation in various fields between Tianjin and Taiwan.

Zhang Lichang said: Tianjin's economic development has begun to rank among the localities with faster development in the country. It has been hard for us to create a good beginning this year, and to consolidate and continuously development the achievements is still harder. A very great difficulty is a lack of funds. It is evidently impossible to rely merely on our own economic strength to resolve this difficulty, and it is also unrealistic to rely totally on state support. The most important and most realistic way is to open wider to the

outside world on a larger scope, at a higher level, and in a wider range of areas and to use the funds from in and outside the border as much as possible, including Taiwan capital. It is where Tianjin's hope for accelerating development lies and also an important part of the economic work with Taiwan.

Zhang Lichang emphasized: We should strive to improve the existing Taiwan-funded enterprises. Pertinent departments should make efforts to improve the service to these enterprises and adjust relevant policies to make Tianjin more attractive to Taiwan firms. The municipal Taiwan affairs office should fully develop their role in organization, guidance, management, and coordination and train a high-level contingent for the economic work with Taiwan. We should achieve breakthroughs in key areas, pool the wisdom and efforts of the people, and make Tianjin's economic and trade cooperation with Taiwan rank among the best in the county.

Li Jianguo, deputy secretary of the municipal party committee, chaired the conference and gave a speech at the end of the conference.

Tianjin Cracks Down on More Criminal Cases

SK0409042294 *Tianjin People's Radio in Mandarin*
1000 GMT 3 Sep 94

[Text] According to a dispatch from the municipal public security bureau information center, the municipality's public security organs have scored marked achievements in dealing strict blows to economic crimes from the beginning of August to 3 September. The statistical data shows that the public security organs at all levels across the municipality have arrested 910 criminal elements of various categories, including those who were released from the labor and education reformatories over the past one month. They have cracked down on 1,086 cases of various crimes. Of these cases, 376 are serious and appalling ones. They have smashed 226 criminal rings of various violations and seized the stolen money and articles valued in 28.27 million yuan.

Northeast Region

Heilongjiang Acting Governor Outlines Development Plan

HK0609040394 *Hong Kong ZHONGGUO TONGXUN SHE in Chinese* 0913 GMT 2 Aug 94

["Special article" on interview with Heilongjiang Acting Governor Tian Fengshan by reporter Li Xiaozhun (2621 1321 6150); place and date not given: "Striving To Enable Heilongjiang's Economic Splendor To Reappear in Three to Five Years—An Interview With Heilongjiang Acting Governor Tian Fengshan"]

[Text] Harbin, 2 Aug (ZHONGGUO TONGXUN SHE)—Since the beginning of this year, Heilongjiang, an important industrial base in the northeast which had once shown its brilliance under the planned economy but

lagged behind in the market economy, has been aggressively carrying out reform and opening up and has been revitalizing its economy, drawing attention from people at home and abroad.

Tian Fengshan, who two months ago became the leader that would promote an economic takeoff throughout the province, firmly believes that, by relying on the province's rich resources, its strong industrial base, and the hard labor of the fellow countrymen in the northeast, it is not too far-fetched to dream of seeing Heilongjiang's splendor reappear in three to five years.

New Official Taking Office in "Mighty Manner"

The reshuffle of the Heilongjiang Government this year has been a focus of attention at home and abroad. Tian Fengshan humbly said that he himself was "casually" pushed to the leading post of the provincial government and therefore is not anxious to "act in mighty manner" and announce measures; rather, what he plans to do is familiarize himself with the operation of the provincial government and enter his new "role" as soon as possible. In fact, Tian Fengshan, who is only 53 years old, was raised in Heilongjiang. He is not only familiar with the province's landscape, he has also served as a township governor, county governor, city party secretary, and vice provincial governor during his 31-year career in government, and these experiences alone mean he can feel quite at home serving as a beloved administrator in the province.

Shortly after taking office, Tian Fengshan made an effort to give full play to the integral functions of the provincial government. He stressed that the revitalization of Heilongjiang's economy is not a job which can be accomplished by himself alone, and that prosperity in Heilongjiang must be realized through the joint efforts of the entire working population.

"Facing the reality, working solidly, and meeting difficulties" is one great principle for Tian Fengshan as he plays the role of "acting provincial governor." He frankly admitted that, in comparison with the coastal provinces and cities, Heilongjiang's economic development has been relatively slow, but changing from the planned economy to the market economy will nevertheless take time. As provincial governor, Tian Fengshan warned himself about indulging in fantasy; he said that he must look at the province's conditions, face difficulties, and work hard to find a good way to bring about an economic takeoff in the province.

The Transformation of State Enterprises Is the Crux

Heilongjiang is an important industrial base in the country. During the First Five-Year Plan period, 23 of the 156 key state projects in the country were built in the province. From the 1950's to the 1970's, Heilongjiang's agriculture and industry both developed rapidly, and its strong economic strength was unmatched by the provinces in the south. Amid the reform and opening up

which started in the 1980's, however, Heilongjiang's economic development lagged behind most southern provinces and cities. Tian Fengshan frankly admitted that Heilongjiang was the first province to enter the planned economy and the last province to march toward the market economy. In particular, 40 percent of the state-owned enterprises, which account for 80 percent of the industrial structure in the province, are still in a loss-making state, and this has become a bottleneck restraining economic takeoff in the province as well as a crucial point determining the success or failure of Heilongjiang's reform. At present, the change of mechanism, renewal of technology, joint operation, merger, and lease are being carried out vigorously among state-owned enterprises, and, although many enterprises have collapsed, some loss-making enterprises have recovered, one example being the Haci Pharmacy Group. Tian Fengshan believed that, following a "period of labor pains," which may last for three to five years as a result of the transformation of state-owned enterprises, Heilongjiang's industry will show a new pattern.

Clearing a Second Battlefield for Invigoration

At present, aside from expediting the transformation of state-owned enterprises, another one of Heilongjiang's key reform efforts is to clear a second battlefield for invigorating non-state-owned enterprises. Tian Fengshan pointed out that, although the total output value of the township and town enterprises in the province increased by 53 percent and reached 36 billion yuan in 1993, it only accounted for about 20 percent of the overall structure. He hoped that, over the next six to seven years, the proportion of non-state-owned enterprises, including township and town enterprises and foreign-funded enterprises, can rise to about 40 percent, as this can become a powerful force for accelerating the economic takeoff in the province.

Tian Fengshan said proudly that, among the six vast regions in China, Heilongjiang is the major base with the greatest investment potential. The province has abundant resources, strong industrial and agricultural foundations, and talented scientific and technical personnel. He hoped that farsighted foreign businessmen would grasp the opportunity and participate in the second round of the craze for development and construction in Heilongjiang.

The Possibility of Quadrupling the Economy

Heilongjiang wants to quadruple its GNP to 140 billion yuan by 2000, but there is still a great deal of work to do. The province's GNP was only 74 billion yuan in 1993, but, if the province can maintain 9 percent growth for the next seven years, the goal can be reached. Tian Fengshan's blueprint is to spend three or five years to transform state-owned enterprises and develop secondary and tertiary industries to enable Heilongjiang's economic splendor to reappear; then, he will spend another two or three years to maintain steady and fast

economic growth to enable the 36 million people in the northern province to join the ranks of those enjoying small-scale prosperity.

Heilongjiang Secretary Visits Universities

SK0609083794 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 5 Sep 94

[Text] While visiting some universities and colleges in the province, Yue Qifeng, secretary of the provincial party committee, pointed out: Institutions of higher learning should, in the course of unfailingly grasping teaching and scientific research, vigorously develop the university-run industries to improve the ability of self-development and should, based on it, improve the conditions and the level for running themselves.

On the morning of 5 September, accompanied by proper leaders, Yue Qifeng, secretary of the provincial party committee, travelled to Harbin Engineering University and Heilongjiang University one after another, where they listened to the reports made by university leaders and met some specialists and scholars. Yue Qifeng also visited the robot research institute, the (Fangquan) center, and the modern production technology center of Harbin Engineering University as well as the information electronics center and the calculation monitoring center of Heilongjiang University.

On the afternoon of 5 September at Harbin Teachers' University, Yue Qifeng convened a forum of responsible persons of some universities and colleges to exchange opinions on the question how universities and colleges should exploit their advantages to initiate university-run industries with a view to adapting themselves to the market economy.

Leaders of the provincial party committee and the provincial government, including Shan Rongfan, Meng Qingxiang, Wang Xianmin, and Zhou Tienong, also joined the inspection tour.

Wherever he went, Comrade Yue Qifeng extended cordial greetings to teaching and administrative staff, as well as workers of universities and colleges. He said: With Teachers' Day approaching, I want to extend greetings to you on behalf of the provincial party committee and the provincial government and want to extend, through you, greetings to workers and staff on the provincial educational front. I also want to thank you for your contributions to imparting knowledge and educating people, developing intelligence, and promoting the development of the provincial economy. He said: Education constitutes the foundation of everything. Neither economic construction nor social development can deviate from education. Market competition, in the final analysis, means competition in talents and technology. Failing in education, it is impossible for us to beef up the economy. He hoped that various universities and colleges would overcome the difficulties they were facing currently in a bid to improve teaching and scientific research work.

Yue Qifeng said: For many years, Heilongjiang, a major province abundant in natural resources, has made great contributions and sacrifices for the state. However, the compensation the province has obtained has been very limited. Adding the rigidity in subjective field, the province's economic development has lagged behind, and finance has been very tight. This has made various universities and colleges short of money to operate. I hope that various universities and colleges will strive to beef up Heilongjiang's economy through concerted efforts. Only by so doing will it be possible to increase the investment in education and improve the conditions for running universities.

Yue Qifeng pointed out: Institutions of higher learning should not simply rely on the government and state finance, but should make the best possible use of their advantages in talented persons and technologies to vigorously develop university-run industries in order to increase income and enhance the ability of self-development. Having a galaxy of talent, various universities and colleges should allow a portion of their teachers and scientific and technological personnel to lead or initiate new and high technology industries. The provincial party committee and the provincial government should formulate preferential policies for universities and colleges, and universities and colleges should in turn provide preferential policies for scientific and technological personnel. Lifting restrictions and allowing flexibility for scientific and technological personnel, we will bring out the latent ability of these persons and make them create tremendous achievements. Today, Heilongjiang is badly in need of a group of industries characterized with low input, high output, and rapid accumulation. New and high technology is one of these industries. The success in running university-run industries will not only be conducive to improving the conditions for running universities, but also conducive to improving the province's structures of industries and products. I hope that universities and colleges will march in the forefront of the province in developing new and high technology industries and will set an example throughout the province.

Yue Qifeng emphatically pointed out: Institutions of higher learning are usually very capable of developing new products but incapable of searching new markets. Under the condition of market economy, the development of markets should be placed above the development of products. Good products and scientific and technological research findings should be turned into commodities rapidly, and propaganda should be strengthened and scale should be expanded for them in a bid to increase their occupation rate of markets.

Shan Rongfan, deputy secretary of the provincial party committee, said at the forum: Various universities and colleges should further emancipate the mind, adapt themselves to the need of the socialist market economy, allow flexibility for scientific and technological personnel, mobilize their initiative to the greatest extent,

promote the development of university-run enterprises, expand the sources of creating revenues, and help improve the level of teaching and scientific research.

Heilongjiang Increases Comprehensive Production Capacity

OW0609124694 Beijing XINHUA in English 0713
GMT 6 Sep 94

[Text] Harbin, September 6 (XINHUA)—Northeast China's Heilongjiang Province, known as "the great northern wilderness" has become one of the country's key commodity grain producers, with enhanced comprehensive production capacity.

The province produces 22.5 billion kilograms of grain a year, up from 15 billion kilograms ten years ago.

"Although some areas were hit by floods last summer," a provincial official in charge of agriculture said, "the province still expects a record grain output this year."

A massive drive to open barren land over the past four decades has resulted in additional 8.87 million hectares of cultivated farmland, ranking first in the country.

According to the official, Heilongjiang began to carry out the contract production responsibility system with the family as the basic unit in 1983, and its gross grain production output reached 15.49 billion kilograms in the same year surpassing 15 billion kilograms for the first time in history.

In 1990, the gross grain output topped 22.5 billion kilograms to 23.125 billion kilograms.

"The grain output over the past four years averaged 23.075 billion kilograms a year, an increase of 48.6 percent over the annual output in the 1980s. This indicated Heilongjiang's overall grain production capacity remains at 22.5 billion kilograms yearly," the official noted.

While keeping a stable increase of grain production, the provincial government encourages diversified economy with rural industry and animal husbandry in the main.

So far, the gross output value of rural industrial enterprises has surpassed that of agriculture, and the output value of animal husbandry exceeded that of agriculture by 23.3 percent.

A survey shows that the average income of farmers had gone up steadily to reach 1,028 yuan per capita last year, 107 yuan more than the national average.

Tian Fengshan, acting governor of the province, attributed the good result to the provincial government's concentration on boosting grain production by stabilizing the amount of farmland under grain, improving rural economic policy and continuously increasing input in agriculture.

Heilongjiang has also expanded areas for growing quality maize, wheat, rice and soybeans to meet the market demand.

The provincial government has set right the relations between fairness and efficiency and ensured farmers' right to contract for the land owned by the collectives.

It has worked out a flexible land transfer mechanism to encourage experienced farmers to contract for more farmland with machinery.

To protect farmers' interest, the provincial government has worked out regulations to reduce farmers' financial burdens.

According to the regulation, farmers who have fulfilled the government's purchase quota may process and sell their products on the market thus arousing their enthusiasm for grain production.

According to the official, Heilongjiang has spent two billion yuan on transforming cultivated areas, reinforcing dykes, adding irrigated farmland, and purchasing farm machinery over the past four years.

The province has sent agro-technicians to rural areas to help farmers with scientific farming.

Over the past four years, Heilongjiang has imported and spread the use of 130 items of advanced agro-techniques.

Former Jilin Congress Official Dies 12 Aug

SK0409045494 Changchun JILIN RIBAO in Chinese
22 Aug 94 p 1

[Excerpts] Comrade Zhao Tianye, an outstanding member of the CPC, a loyal Communist fighter, and former vice chairman of the Jilin provincial people's congress standing committee, died of sudden heart attack at 0645 on 12 August after all rescue measures proved ineffectual in Changchun.

Comrade Zhao Tianye was born on 15 April 1913 and was a native of Liaoning's Fengcheng County. He joined in the revolutionary work in June 1936 and entered the CPC in October of the same year. [passage omitted]

The remains of Comrade Zhao Tianye were cremated on 19 August.

Jilin Plant Accelerates Pace of Parts Production

OW0609124294 Beijing XINHUA in English 0657
GMT 6 Sep 94

[Text] Changchun, September 6 (XINHUA)—The No. 1 motor vehicle enterprise group has entered into a joint venture with two Japanese companies in a bid to accelerate the production of automobile parts and components.

The Auto Air Conditioner Co. Ltd. in this capital of Jilin Province, is the first component production joint venture run by the No. 1 Motor Vehicle Enterprise Group, the earliest Chinese auto maker.

"Its establishment indicates that China's largest automobile enterprise group is speeding up the process of cooperating with the outside world," an official from the group said.

Capitalizing at 210 million yuan, the new joint venture will produce condensers, evaporators and automobile air conditioners.

Work on the new joint venture is scheduled to start in October. It will take two years to complete.

The group has planned to build an auto parts center in order to meet the needs of its annual production of one million cars.

The new venture will open up the way for more such ventures, said Geng Shaojie, chairman of the board of the group.

He revealed that the second auto parts joint venture is to be established next month.

Jilin Sets Measures To Control Consumer Prices

SK0509064694 Changchun JILIN RIBAO in Chinese
18 Aug 94 p 1

[Text] The provincial people's government held a large-range television conference on 17 August to inform the people on the situation prevailing in market prices since the beginning of this year; to arrange measures for controlling the over-rapid price increases; and to confirm the establishment of price management organs at province, city, and county levels.

Vice Governor Liu Xilin attended the television conference and delivered a speech.

It was pointed out at the conference that since the beginning of this year, the province's market prices steadily increased and the province suffered a high starting point in commodity prices and steady increases month after month. Major reasons for the price increases this year are the impetus of demands and cost, the relatively short supply of some commodities, and the imperfect system of management.

In order to ensure the fulfillment of the target of controlling prices, the provincial people's government has urged various localities to do a good job in grasping the following several measures in the last several months of this year:

1. Efforts should be made to strictly control new price increases. Governments at all levels and relevant departments are not allowed to issue new price increases in the last several months of this year. Those that have violated this principle will be strictly handled by the provincial people's government.

2. Efforts should be made to actively organize the supplies of commodities. Departments in charge of commercial affairs, grains, supply and sale, and industrial and commercial affairs, should actively organize the sources of goods and ensure the supplies of commodities. In particular, the grain department should do a good job in organizing the processing and distribution of grains and cooking oil by resolutely following the demands adopted at the "606" meeting held by the provincial people's government and guarantee the existing quality and supply of major commodities. Other departments should actively create conditions for commodity supplies.

3. A good job should be done in safeguarding the market order. The departments of public security and in charge of industrial and commercial affairs should deal strict blows at the unlawful practice of forcing the people to buy or to sell and dominating the market by cheating. Departments in charge of technical supervision should deal strict blows at the unlawful practice of manufacturing and selling fake or sub-standard commodities.

4. Efforts should be made to enforce different-rate control over the major commodities of vegetables and non-staple foodstuffs. In line with their own market situation, various localities should enforce the different-rate control in both whole and retail sales over the major non-staple foodstuffs—large-amount-supplying vegetables, meat, poultry, and egg. It is imperative to lower the prices of farm and sideline products.

5. Efforts should be made to enforce the regulations on fighting against reaping staggering profits. Various localities should earnestly enforce the regulations formulated by the provincial people's government for fighting against reaping staggering profits. They should grasp the problems about which the people have lodged strong complaints and deal resolute blows at the practice of reaping staggering profits.

6. Efforts should be made to uphold the regular price inspection. The focal points of inspection include the implementation of using price tags and the problems relating to grain and cooking oil prices, about which the people have lodged strong complaints. The price departments at all levels should continuously make public their telephone number for accepting the people's reports, examine the problems reported by the people one by one, and make public their problem disposals. The price departments at province, city, and county levels should make all-out efforts to engage in the work of controlling commodity prices; to enter the markets; and to carry out supervision and inspection by setting forth personnel posts and duties. In addition to carrying out resolute and strict investigation and disposal, we should also expose the cases through the mass media at all levels with regard to the unlawful practice of seriously violating the state price policies, raising the prices arbitrarily, driving up prices, and of collecting charges arbitrarily.

During the conference, an announcement was read on commending the city people's government of Jilin, Tonghua, Liaoyuan, and Baishan, in honor of their fulfillment of the 1993 target set forth by the provincial people's government for controlling commodity prices and on appropriating 200,000 yuan to award the personnel who had made contributions to fulfilling the target.

Minister Discusses Liaoning's Metallurgical Industry

SK0709095694 Shenyang LIAONING RIBAO in Chinese 24 Aug 94 p 1

[By reporter Zhang Wei (1728 5633): "Accelerate the Readjustment of Product Mix Under the Guidance of Market Demands"]

[Text] On 18 August, Wen Shizhen, acting governor of Liaoning Province; Guo Tingbiao, vice governor of the province; and Liu Qi, minister of metallurgical industry, who was on his inspection tour of Liaoning, listened to a report delivered by the provincial department of metallurgical industry, on the general situation in Liaoning's metallurgical industry, on the production situation in the first half of this year, on the progress of technological transformation since the Seventh Five-Year Plan period, and on ideas concerning the development in the future. They also exchanged opinions on the development of the province's metallurgical industry.

After hearing the reports, Minister Liu Qi said: Liaoning is the largest metallurgical industrial province in the country, with its metallurgical industrial output value accounting for one-sixth of the country's total. Liaoning's metallurgical industry has a great bearing on the economic development of the whole province and the whole country. Metallurgical industrial enterprises in Liaoning Province have brought about steel products, professional talents, and successful experiences. Liaoning's idea concerning the development of the metallurgical industry tallies with the idea of the Ministry of Metallurgical Industry. The plans formulated for technological transformation should be guided by market demands. What is important is that we should formulate plans based on product varieties and should join the overall network of the state with specific projects. In the source of funds, we should work out policies that favor the metallurgical industry. To put it bluntly, these policies should stress market demands and utilization of foreign funds. In management of enterprises, we should learn from the experiences of Fushun and Benxi iron and steel plants and strive to promote the development of the metallurgical industry.

Acting Governor Wen Shizhen said in his speech: The iron and steel industry has constantly been one of the pillar industries of Liaoning and has been the backbone of Liaoning's economy. Although Liaoning's iron and steel industry has developed greatly over recent years, its place in the whole country has moved backwards due to

the swift and violent development of the iron and steel industry in the whole country. It can be said that during the Ninth Five-Year Plan period, Liaoning's iron and steel industry will be confronted with rigorous challenges. Therefore, we should enhance the sense of urgency and the sense of crisis. While acquiring a clear understanding of the current situation, we should also catch sight of development opportunity. This opportunity comes from the increasing total demand for iron and steel.

Wen Shizhen stressed: First, in terms of development idea, we should accelerate the readjustment of product mix according to market demands and develop the products that will fill the gaps in the country. Second, in developing the iron and steel industry, we should make full use of Liaoning's opening-up environment; and in the fields of funds, technology, and management, we should utilize domestic and foreign resources to beef up Liaoning's iron and steel industry. In renovating old enterprises, we should study how to utilize existing resources to create new resources and use the former to attract the latter. At the same time, we should develop the shareholding system in the course of reforming the property right system. Wen Shizhen stressed in conclusion: In renovating the province's iron and steel industry, we should give prominence to key enterprises, key products, and key technology.

Liaoning Destroys 'Underworld Society' Gangs

SK0609075394 Shenyang LIAONING RIBAO in Chinese 22 Aug 94 p 1

[Text] Yingkou City Public Security Bureau destroyed, through swift and violent action, three criminal gangs with the nature of an underworld society in 40 days, without causing a single injury or death. Except for one criminal who was shot dead on the spot for resisting arrest, all of the other nine chief criminals were caught, and many firearms and lethal weapons were seized. Citizens ceaselessly praised cadres and policemen and vied with one another in asking the higher levels to record the meritorious deeds of cadres and policemen.

Recently, criminal offenses with the nature of an underworld society took place in succession in Yingkou city, and some groups of ruffians committed murder and robbery and stopped at nothing in doing evil. The masses gnashed their teeth at the wanton activities of these criminals and impatiently hoped that public security organs would destroy these criminal gangs as quickly as possible. Leaders of the Yingkou City Public Security Bureau paid high attention to this situation and organized policemen to find out the facts of the crimes rapidly.

In the small hours of 23 June, the struggle against these criminal gangs got off to a good start. Zhao Yufeng, who committed robbery and murder on many occasions; and

Bai Guoqiang and Wang Jinxiang, who colluded with Zhao in doing evil, were encircled by the police at a two-story small building in the southern downtown area of Yingkou city. Through a vigorous offensive, Zhao Yufeng and two other criminals were all seized. On 24 July, cadres and policemen of the plainclothes police detachment and policemen detachment of the city followed up a victory with hot pursuit, and found out, according to reliable information, the hideout of a person called Meng who committed the crimes of murder, injury, robbery, and stealing. All the policemen and cadres participating in the struggle swooped down on the hideout of Meng with swift and violent action. When Criminal Meng resisted arrest and attempted to run away, cadres and policemen resolutely opened fire at Meng's leg and captured him alive. Liu Jiazhong, who colluded with Meng in committing crimes, was also captured. Not long after, another criminal Hu Yutao was also caught in Shenyang.

Public security cadres and policemen have become braver and braver when fighting against criminals. They decided to thoroughly wipe out another extremely vicious criminal gang. At 1335 on 3 August, public security cadres and policemen were informed that Peng Wei, chief criminal of this gang, was hiding at a residential building in Bayuquan. Li Qingjun, deputy director of the public security subbureau of western Yingkou city, together with 14 other cadres and policemen, rapidly encircled the hiding place of this escaped criminal. Carrying a dagger with him, Peng Wei resisted arrest disregarding advice, and thus he was shot dead on the spot by policemen. Criminals Chen Peng and Wang Zhenyu were forced to lay down their weapons.

Drunkards Sobered at Education Center in Liaoning

OW0609112594 Beijing XINHUA in English 0749 GMT 6 Sep 94

[Text] Beijing, September 6 (XINHUA)—An education center in northeast China designed for sobering drunkards who used to make trouble has helped transform more than 6,000 drunkards in the past six years, according to CHINA LEGAL DAILY.

Set up in 1988 by the Public Security Bureau of Fushun City in northeast China's Liaoning Province, the center is the first of its kind in China.

In Fushun, with a population of 1.3 million, the annual consumption of alcohol exceeds 10,000 tons, as compared with 4,000 tons 10 years ago. Crimes and offences caused by drunkards have also been on the rise. This prompted the Fushun Public Security Bureau to set up the education center, the newspaper said.

The center provides emergency medical care as well as education to trouble-making drunkards.

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